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Objet: **Fw: Sunday Star article on NACC - SPP and three amigos**
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Very interesting article re. NACC and comparison to nazi Germany business council set up. Rick.
Power to the people (in suits)NACC has exclusive and regular access to cabinet; How a whole new kind of business lobby is a threat to democracy
The Toronto Star
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Byline: Paul Bigioni
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In June of this year, " the three amigos" - the name the press had given the leaders of Canada, Mexico and the U.S. when they met in Cancun, Mexico three months earlier - formally launched the North American Competitiveness Council (the NACC).

The NACC, which grew out of discussions at the Cancun summit, is described in government press releases as a partnership between government and business executives. It consists of 10 business leaders from each NAFTA nation; its stated purpose is to advise government on how to improve the competitiveness of North American business in global markets. NACC members meet with government ministers from all three nations on a regular basis to provide policy input.

While I suspect that, to the average reader, none of this sounds terribly momentous, I am of a different view. Examining the NACC in its historical context discloses that it is, in its very structure and composition, an anti-democratic institution.

On the surface, the NACC appears to be an initiative of government. It is not. It was entirely conceived by the private sector. In 2003, the Canadian Council of Chief Executives launched its "North American Security and Prosperity Initiative," a sales pitch designed to convince government to pursue such business-friendly initiatives as "re-inventing" borders, regulatory convergence and energy integration. It is no coincidence that the NACC currently pursues these same objectives.

The NACC's members are drawn almost exclusively from the Canadian Council of Chief Executives, the Business Roundtable in the U.S. and the Consejo Mexicano de Hombres de Negocios, a Mexican business association.

These organizations represent some of the largest corporations in their respective nations; the NACC is a means for them to influence government policy in the interests of the companies they work for. No other group in society - labour, consumers, small business - has been invited to join.

The Canadian Council of Chief Executives and the Business Roundtable are already extremely influential lobby groups. They have existed for decades and have had a profound impact on public policy.

The Canadian Council of Chief Executives was instrumental in selling the original Canada-U.S. Free Trade Agreement to business and government leaders in Canada. It helped water down Canada's anti-trust laws by successfully promoting the enactment of the Competition Act, a law that has done little to stop the deepening concentration of ownership of Canadian business.

The Canadian Council of Chief Executives' repeated calls for cuts to taxes and social spending were made law when Paul Martin was Canada's finance minister.

The Business Roundtable is similarly influential. During the 1970s, it coordinated a series of approximately 200 lawsuits that compelled the U.S. Federal Trade Commission to cease its program of monitoring the concentration of ownership of American businesses. This paved the way for the merger and acquisition booms of the 1980s and 1990s. The Roundtable also played a central role in convincing the U.S. to adopt the NAFTA.

Given the tremendous influence of these business associations, it is obvious that they already have the ear of government. What, then, will the NACC add to their influence ?

In short, the NACC formalizes and deepens the existing patterns of influence these business associations already have. The U.S., Canada and Mexico have each assigned three high-level government ministers to meet with the NACC three times per year. Canada's ministers of Public Safety (Stockwell Day), Industry (Maxime Bernier) and Foreign Affairs (Peter MacKay) have

been appointed to this task. In the U.S., the Secretaries of Homeland Security, Commerce and State have been chosen. The appointment of the highest government figures short of president and prime minister shows that governments take the NACC seriously.

In August, the NACC met to establish its procedures and to reach a consensus among its members on its policy objectives. Members had apparently already come up with about 300 objectives, a list of which was not available to the public. At its August meeting, the NACC reduced the number of its objectives to three - border facilitation, regulatory convergence, and energy integration - in the short term in order to proceed with policies members felt were "actionable and easy to achieve." Remember that these three are the same objectives pushed by the Canadian Council of Chief Executives in 2003.

Also at its August meeting, the NACC resolved that "a template be developed to bring initiatives to the table, to prioritize them, assign responsibility, a time frame and schedule for completion, and where possible, develop an economic assessment." The NACC further resolved to discuss "the possibility of developing an electronic interface for future exchanges of documents, views and developments."

These guys are not fooling around. Recent Freedom of Information Act disclosures in the U.S. reveal detailed organizational charts and telephone lists that enable NACC members to directly contact government staff at all levels and in departments as diverse as manufactured goods, movement of goods, energy, environment, e-commerce, financial services, business facilitation, food and agriculture, transportation and health.

All this demonstrates how clearly different the NACC is from a mere lobby group or business association. If, for example, an advocacy group like the World Wildlife Fund wants to talk to a government minister, it typically writes up a report on a topic of interest, sends it to a minister and then calls to seek a meeting. The minister might agree to meet with WWF representatives, or might assign a deputy minister or lesser bureaucrat to meet with them.

But the World Wildlife Fund is not invited by the government to formulate government policy. Neither are cabinet ministers assigned to meet with the World Wildlife Fund on a regular basis. This is the difference between the NACC and a mere lobby group. Through the NACC, our government has chosen to give precedence to the voice of the business elite. The NACC does not wait in line with lobbyists for a fleeting opportunity to meet a cabinet minister.

In the words of one government press release, the NACC has been "institutionalized." Government is not merely tolerating the NACC - it is changing to incorporate NACC policy input into its ongoing operation. At the same time, the NACC remains an entirely private body, advocating policies that financially benefit the corporations it represents. Bereft of its own ideas, Ottawa has apparently privatized the very function of policy making.

There is a troubling precedent for this. In 1932, the government of Nazi Germany created an advisory body called the National Economic Chamber (the NEC). Though it seemed to be an innovation, the NEC was merely a rehash of the pre-Nazi Central Committee of German Employers' Associations. It was a private association, incorporated by the Nazis into their system of government.

The purpose of the NEC was to formulate economic and social policy for the Reich. Membership in the NEC was confined strictly to the leaders of Germany's largest businesses, trusts and cartels. Representatives of labour and consumers were excluded from participation.

It is typically assumed that the Nazi dictatorship controlled all elements of society, including business. To the contrary, Nazi business philosophy was not markedly different from that which prevails in North America today. The Nazis advocated self-regulation in business, and their laws encouraged further and deeper consolidation of ownership in the already monopolistic German economy.

In the late 1930s, Professor Robert Brady of the University of California studied the Nazi economy and concluded that "the totalitarian powers of the new [Nazi] state can and will be used to see that no one escapes whatever the majority of the most powerful German business men decide to do." One must remember that, by 1932, Hitler had already violently purged his party of its radical socialist elements. In doing so, he carried the favour of big business and secured the financing and political support necessary to improve the fortunes of the Nazi Party in the 1932 elections. Nazi economic policy was revised accordingly.

The German experience points up a long-forgotten truth most eloquently stated by U.S. President Franklin Delano Roosevelt "The liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than the democratic state itself. That, in its essence, is fascism - ownership of a government by an individual, by a group, or by any other controlling private power."

Germany, like other fascist nations, had seen its economy fall under the control of a very small number of monopolistic businessmen. Over time, networks of private business associations had given German big business a cohesive and powerful

influence over political affairs. That influence was used to Hitler's advantage. He became Chancellor by constitutional means in January of 1933. Inside of a month, he met privately with Germany's leading industrialists and bankers. Captured German documents reveal that, at that meeting, he promised to eliminate the Marxists and restore the military. He told his invited guests that "private enterprise cannot be maintained in the age of democracy; it is only conceivable if the people have a sound idea of authority." Goering chimed in to the effect that the pending election would be "the last one for the next 10 years, probably even for the next 100 years."

On that occasion alone, Hitler collected contributions of three million marks. The trend was thus from economic monopoly to political dictatorship. The business associations, cartels and industrial trusts wholeheartedly supported Hitler. Having purchased their own freedom from the Nazis, they were content with the loss of everyone else's.

To my dismay, I see in North America a repetition of the German trend. Ownership and control of business in North America has been acutely monopolistic throughout the entire post-war period. Concentration of ownership has only deepened over time. Since the Reagan era, the philosophy of "self-regulation in business" has held sway and, in the U.S. in particular, laws originally passed to ensure free competition have been weakened or ignored.

As in pre-war Germany, North American business has organized itself into powerful associations that preach the public good while attending to the private demands of their members. Since the early 1980s, governments in Canada and the U.S. have adjusted their policies to satisfy the desires of these business associations. As in Germany decades ago, the monopolistic businessmen of North America have found their political voice.

Quite obviously, North America has not followed Germany into dictatorship. Unfortunately, however, the North American Competitiveness Council represents a small but significant step in that direction. It is small because, alone, the NACC cannot destroy our democracy. It is significant because it is an institutional change - a subtle restructuring of our government that gives our business leaders disproportionate power. As with pre-war Germany's National Economic Chamber, the NACC is in essence a private business association reborn as a formal part of government. If this intrusion of business into government is permitted to expand, then the North American business elite could in time become that "controlling private power" that President Roosevelt warned of.

It must be noted that the men and women who attend NACC meetings do not call for an end to democracy and they are not Nazis. Neither, however, were many of the businessmen of Weimar Germany. In the years before Hitler's rule, the German business elite was simply given the freedom to combine into ever larger trusts and cartels, often justified as necessary for competing in global markets. By the end of World War II, control of the German economy was in the hands of about 100 men, according to the estimate of U.S. Department of Justice employees tasked with "decartelizing" postwar Germany. We have forgotten what President Roosevelt and his Justice Department knew back then market power is political power. For this reason, decartelization was considered an essential part of de-Nazification.

I therefore find it depressing when I hear the Canadian Council of Chief Executives call for changes to our Competition Act to facilitate "the kind of strategic alliances and new business arrangements that companies need to operate effectively in the global marketplace." The Council also claims that "a fair degree of concentration in some sectors is not only inevitable but desirable."

Given these statements, and given the "anti-anti-trust" views of the Business Roundtable in the U.S., can it not be expected that the NACC will advise government to permit more mergers and alliances between companies? This will deepen the monopolization of the North American economy. The result will be the concentration of even more political power in the hands of even fewer, bigger businesses.

Thus, the NACC does not have to call for any constitutional change to damage democracy. And thus, we should not sit back and wait to see how business intends to exercise its growing political power before we concern ourselves with the fact of that power's existence. We can assume, in any event, that the NACC will push many of the same policies that its private members already call for.

At the same time as the NACC is institutionalizing big business's influence in government, Stephen Harper's Conservatives are cutting millions of dollars of funding to other groups and programs that provide policy input.

Notwithstanding its budget surplus, Canada has now cut or reduced funding for Health Canada's policy research, the Centre for Research and Information on Canada, Canadian Policy Research Networks and the Human Resources Policy Research Initiative.

"Administrative" funding cuts to Status of Women Canada mean in reality that women's lobby groups will be starved. Funding to the Law Commission of Canada, a group that considered, among other things, how to promote economic security for vulnerable workers, has been entirely eliminated in the name of efficiency. Canada's Government is giving priority to the demands of the business elite even as it shuts out other groups that might have opposing views.

The NACC exists because of a growing anti-democratic sentiment in North American society. It has been created and populated by people who seem to believe that only the elite few with market power should be trusted to wield political power. The majority of citizens, their opinions and experiences are to be disregarded.

The German example shows that this mistake has been made before. What is entirely new, however, is the global ambition of our business leaders. Today's business elite have at their disposal the NAFTA and the WTO-administered trade agreements with which to limit the ability of government to interfere with their profits. NACC members already recommend the creation of more supranational governmental bodies to administer different aspects of the North American economy. By this means, national sovereignty will be further displaced, and the voice of the citizen will matter even less.

Paul Bigioni is a lawyer and author. He is writing a book about the persistence of fascism and the economic conditions that give rise to it. His research is focused on the political impact of competition policy.

From: Jean-Yves Lefort
Sent: Monday, October 30, 2006 9:38 AM
To: Stuart Trew
Subject: FW: Sunday Star article on NACC-help

Stuart,

[Did you see the article he is talking about?](#)

JY

-----Original Message-----

From: Rickard K Arnold [mailto:comfront@web.ca]
Sent: Sunday, October 29, 2006 7:33 PM
To: Hodgson, Jim; Jean-Yves Lefort
Subject: Sunday Star article on NACC-help

Hi Jim and Jean-Yves: Don't know if you saw the long article in the Oct. 29 Sunday Toronto Star on the North American Competitiveness Council (SECTION D - IDEAS pp 1 & 10). Any chance that either one of you with access to being able to download articles from the Toronto Star could paste an e-mail to me tomorrow Monday asap? Would be good to get this around, particularly to Alejandro at RMALC. Do either of you know who the author Paul Bigioni is?

Hope you can help. Rick.