



**PRESS RELEASE**  
**For immediate release**

## **15 Years of Damage is Enough: NAFTA Must Be Renegotiated**

(Montreal, Ottawa, Washington and Mexico City / December 30, 2008) – January 1, 2009 marks the 15th anniversary of the implementation of the North American Free Trade Agreement (NAFTA), which integrates the economies of Canada and Mexico with that of the United States. For civil society networks in the three North American signatory countries, this anniversary is no cause for celebration.

In a Joint Declaration entitled “NAFTA must be renegotiated” (available at [www.commonfrontiers.ca](http://www.commonfrontiers.ca)), the networks propose that NAFTA re-negotiation should centre on 10 crucial areas: agriculture, energy, foreign investment, financial services, the role of the state and public services, employment and labour rights, migration, environment, intellectual property rights, and the dispute settlement mechanism.

We concur with U.S. President-elect Barack Obama’s statement that “NAFTA and its potential were oversold to the American people”. We would add that NAFTA was oversold to Canadians and Mexicans. We believe that NAFTA is a flawed deal that governments imposed under pressure from large corporations, and that re-negotiation should ensure that any future agreement *benefits* workers in the three countries.

In calling for a re-negotiation of NAFTA, our organizations are opting for a new trade model in which our governments govern for the people instead of having large corporations call the shots. NAFTA’s most damaging elements must be eliminated - in particular the investor-state provisions found in Chapter 11, and the Chapter 6 proportionality clause that currently forces Canada to send two-thirds of its oil to the United States.

### **The all-powerful corporations**

Under NAFTA, only the CEOs of large companies have privileged access to key government officials, while all other sectors of society, including elected members of Parliament and Congress, are excluded.

This trend became especially obvious in March 2005 when the three countries launched the Security and Prosperity Partnership of North America (SPP, or what quickly became known as NAFTA-Plus). One year later the North-American Competitiveness Council (NACC), made up exclusively of CEOs from North America’s largest companies, was created. At that time, government ministers responsible for the SPP said to CEOs : “Tell us what we need to do and we’ll make it happen.”

Key to any NAFTA re-negotiation will be ensuring that every sector of society can contribute to the debate about North America’s future and that they will be listened to by our governments.

## **A charter that protects investors' rights – NAFTA Chapter 11**

For the first time ever, under NAFTA, foreign investors got the right to challenge policies or legislation of national governments by claiming that these policies would affect their ability to make profit.

NAFTA's Chapter 11 Investor/State provisions can be triggered in a number of ways. Foreign investors can claim they were not given equal treatment. They can challenge government measures to require the use of local goods or measures that protect a population's health or the environment. And the private company can sue the government for damages. Such cases have resulted in "chilling" governments' efforts for the public good or for national or regional development strategies.

## **Canada, an energy colony of the United States**

Another aspect of NAFTA that needs to be re-examined, particularly in this period of unstable oil prices, is the "proportionality" clause found in NAFTA's Chapter 6. This clause prevents the Canadian people from exerting their sovereignty over their own energy resources by guaranteeing the United States a greater proportion of Canada's oil production than Canada gets itself. After seeing this clause during the original NAFTA negotiations, Mexico demanded - and was given - an exemption. Far from being an "energy superpower," as Prime Minister Stephen Harper claims, Canada is actually an energy colony, putting the voracious appetite of the U.S. for non-renewable hydrocarbons ahead of Canada's own needs.

## **The economic crisis requires that a new development model be put in place**

Deregulation, an objective once revered by NAFTA proponents, has proven to be an abject failure. In fact, it is one of the principal causes of the current economic crisis, as admitted by none other than the former president of the Federal Reserve of the United States, Alan Greenspan. We need now to restore the role of the state as protector of the common good, a role that has been greatly undermined in the last two decades.

A new trade model between the three North American countries must promote economic relations based on human rights, social justice and national sovereignty, while focusing on sustainable development. We demand that the executive branches of our respective governments listen to their people and to the duly elected representatives in their legislatures. This is the only way to ensure that another world is possible - a world where peoples' rights take precedence over corporate profits.

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This press release is a joint initiative of four multi-sectoral networks in North America, namely the Québec Network on Continental Integration (RQIC), Common Frontiers-Canada, the Mexican Action Network on Free Trade (RMALC), the Alliance for Responsible Trade (ART-US) – and the Polaris Institute.

For more information please contact:

\*Québec Network on Continental Integration (RQIC): Pierre-Yves Serinet, 514-276-1075, [rqic@ciso.qc.ca](mailto:rqic@ciso.qc.ca)

\*Common Frontiers-Canada: Rick Arnold, 905-352-2430, [comfront@web.ca](mailto:comfront@web.ca)