



CROSSING THE LINE

A Citizens' Inquiry on Canada–U.S. Relations

SUMMARY AND KEY FINDINGS
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THE
COUNCIL
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CONSEIL
DES CANADIENS



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Introduction

For years, Canadians have been told that the closer we are to the United States' policies, the better off we'll be. But after more than 15 years of free trade, we know that this isn't true. Canadians have seen their jobs cut, their public services privatized, and the promise of a living wage steadily eroded. While free trade has been a jackpot for big corporations and private investors, it has been bad news for the rest of us.

Now, powerful corporate lobbyists and politicians are calling for even deeper ties with the United States. This new agenda of "deep integration" seeks to reorient a myriad of Canadian policies to fit with U.S. standards and expectations. These policies include areas such as: defence, the environment, food and drug protection, immigration, and energy security. The theory, so they say, is that we should give the U.S. administration what it wants – *anything it wants* – in turn for a freer flow of goods and services across the Canada-U.S. border.

We know that Canadians don't agree that corporate profits should trump the public interest – especially when it means joining the U.S. in waging unilateral wars and starting a new nuclear arms race. But the federal government has made little effort to seek out the opinions of Canadians. Its last consultation on Canada's relationship with the United States took place in the early 1980s.

But since 1999 – with no consultation from Canadian citizens – the Canadian Council of Chief Executives (CCCE), which represents the richest 150 corporations in Canada, has been pushing the federal government to promote deeper integration between Canada and the U.S. The CCCE's proposals were progressing slowly until September 11, 2001, and have been making rapid headway ever since. Sadly, Canada's corporate lobby has used the tragic events of 9/11 to rejuvenate its push for deep integration – and the Canadian government has been listening.

In 2004, the CCCE joined with the U.S. based Council on Foreign Relations and the Mexican Council on Foreign Relations to organize a Task Force on the Future of North America. The task force's May 2005 report recommended that Canada's foreign policy cater to U.S. priorities. Even before the release of its report, this task force had already influenced the leaders of Canada, the U.S. and Mexico. Paul Martin, George W. Bush and Vicente Fox expressed their intent to follow the CCCE's advice, when they signed the Security and Prosperity Partnership of North America in March 2005.

A Citizens' Inquiry on Canada-U.S. Relations

Founded in 1985, the Council of Canadians is Canada's largest citizens' organization, with members and chapters across the country. We work to protect Canadian independence by promoting progressive policies on fair trade, clean water, safe food, public health care, and other issues of social and economic concern to Canadians. The Council was first founded to fight Canada-U.S. free trade, and has spent the last 20 years

documenting its negative effects, while working with partners in Canada and around the world to prove that a better Canada and a better world is possible.

In response to the growing push for deep integration with the U.S., and the government's corresponding lack of consultation with Canadian people, the Council of Canadians organized a cross-country inquiry on Canada-U.S. relations. Crossing the Line: A Citizens' Inquiry on Canada-U.S. Relations held public hearings in 10 cities across Canada between November 2004 and March 2005. The hearings, each of which addressed a key issue that affects Canada's relationship with the United States, gave Canadians an opportunity to voice their opinions and contribute to a national debate. Experts prepared briefs and citizens were invited to make presentations to commissioners, including the Council of Canadians' National Chairperson Maude Barlow.

This report is a summary of those hearings. It articulates what Canadians understand about how deeper integration with the United States is already affecting Canada and, if allowed to continue, will affect this country in the future.

Key Questions

The Citizens' Inquiry sought to answer the following questions about Canada's relationship with the United States:

- What is deep integration, where is it happening, and who is pushing it?
- How has deep integration already affected Canadian public policy and practice?
- How does deep integration threaten Canadian independence?
- How does deep integration threaten Canadians' democratic rights and civil liberties?
- How can Canada maintain good relations with the United States, without sacrificing its sovereignty?
- How are Canadian citizens and communities resisting deep integration and promoting local alternatives?

Key Findings

The Citizens' Inquiry revealed that Canadians hold strong opinions about Canada's relationship with the United States. By and large, people expressed respect and empathy for the American people. At the same time, however, people voiced serious reservations about Canada actively ceding its power and linking its destiny to the United States.

Here are some of the Inquiry's key findings:

Defence, Security and Missile Defence

The Inquiry found that anti-terrorism and "homeland security" measures in the U.S. and Canada sacrifice Canadians' civil liberties, while undermining Canada's international reputation as a peacekeeping nation. While Paul Martin's recent refusal to participate in

George W. Bush's ballistic missile defence (BMD) program sent a strong message to the U.S. administration, Canada has been participating in BMD "by stealth" by complying with the U.S. NORAD warning system and allowing U.S. surveyors to study potential radar sites on Canadian soil.

Recommendations:

- The Government of Canada should renew and rejuvenate its status as a peace-maker, rejecting participation in unilateral U.S.-led wars.
- The Government of Canada should conduct an inquiry into the deportation to torture of Canadian citizens, in addition to the one already undertaken in the case of Maher Arar.
- The Government of Canada should abolish the Security Certificate process, which denies suspected terrorists the right to a fair trial in open court, and grant bail to the four people who are currently being detained on Security Certificates.
- The Government of Canada should take a public stand against the weaponization of space by withdrawing from the NORAD warning system.

Immigration and Refugees

Protecting Canada from the threat of terrorism, and welcoming refugees and immigrants as part of an overall strategy of nation building are not mutually exclusive objectives. The Inquiry found that Canada needs to maintain immigration and refugee policies that are clearly independent from the United States and that speak ultimately not to issues of security and economic advantage but to ones of human rights and basic compassion. The more that Canada's policies are brought to serve other ends than these, the greater the likelihood they will harm the very people they are intended to aid and protect.

Recommendations:

- The Government of Canada should abolish the Safe Third Country Agreement, and maintain an independent immigration and refugee policy.
- The Government of Canada should examine and eradicate racial profiling in Canada's immigration policies.
- The Government of Canada should review C-36, and other "homeland security" measures, to ensure that they do not restrict the civil liberties of people in Canada, including immigrants and refugees.

Border Issues

The true record of cross-border trade over the past 15 years is far from the success story often described by big business and government. Free trade proponents from Canada, the U.S. and Mexico have praised NAFTA as a success, and they are pushing for even closer economic ties between the three countries. They consistently point to increases in exports and in the gross domestic product (GDP) as indicators of the FTA's and NAFTA's success. While the increases in these economic measures may result in more wealth to

businesses and higher-income earners, the situation is far different for the average citizen. GDP growth means little when wages are stagnant. In addition, citizens have had to contend with an increasing harmonization of their social programs, such as employment insurance, with those in the United States.

The Inquiry found that the federal government must learn from its free trade mistakes and uphold independent government policies that serve the broad public interest. In doing so, it must listen to civil society groups and those communities most directly affected by its policies, rather than the interests of big business lobby groups.

Recommendations:

- The Government of Canada should maintain independent standards and regulations with regard to food and drug testing in particular, focusing on the precautionary principle, rather than harmonization with U.S. standards.
- The Government of Canada must reject the push by business leaders in Canada for a customs/monetary union.
- The Government of Canada must evaluate the effect of 15 years of free trade on Canadians, particularly its impact on Canadian jobs, economic security, natural resources, and the environment.

Indigenous Perspectives

Just as the integration of Aboriginal peoples in Canada has resulted in their being denied the right to self-determination and security in the face of integration, so might deep integration with the United States deny these rights to Canadians. The experiences of Canada's Indigenous peoples should serve as a cautionary tale for all Canadians. Indigenous nations negotiated agreements with European nations, but when the more powerful Europeans disrespected these agreements, the sovereignty of Indigenous peoples was eroded. "Deep integration" was imposed on Indigenous peoples in the past and power elites are now pushing for deep economic, cultural and military integration with a country powerful enough to impose its will on Canada.

Recommendations:

- Canada should respect Aboriginal peoples as autonomous nations in any binational or multinational discussion potentially impacting on Canadian sovereignty.
- The Government of Canada should evaluate the impact that free trade has had on Aboriginal communities in Canada.
- The Government of Canada should ratify the United Nations Draft Declaration on the Rights of Indigenous Peoples, which recognizes the right to security and self-determination of Indigenous peoples.

Energy

Ensuring the sustainability of Canada's domestic energy supply is vital in these times of global climate change, war, and volatile energy prices. The proportional sharing provision in NAFTA prevents Canada from cutting exports to the United States, even in the case of a domestic shortage. The Inquiry found that Canada must find a way to make the transition to renewable sources of energy. If we wait to make the transition only when our supply of fossil fuels is nearly exhausted, Canadians will end up paying twice – in inflated prices for ever scarcer fossil fuels, and in ever greater damage to the natural environment.

Recommendations:

- The Government of Canada should place a cap on current energy exports to the United States, and evaluate the effect of NAFTA's proportional sharing clause on Canadian energy security.
- The Government of Canada should attempt to reopen negotiations on Chapter 6 and Article 315 of NAFTA, to obtain an exemption similar to the one that Mexico instituted to protect its energy resources.
- The Government of Canada should place a moratorium on exploration in the tar sands, retreat from the Mackenzie Valley Gas Project, and aggressively pursue sources of renewable energy.

Health Care

As Canada's trade and regulatory policies have become increasingly integrated with those of the United States, the pressure to adopt a U.S.-style for-profit model of health care has intensified. The Inquiry found that unless the federal government asserts the primacy of a public, non-profit system above the private for-profit model routinely promoted by large health management organizations and the pharmaceutical industry, Canada will continue to face mounting crises in sustaining the high-quality, universally accessible health care system upon which Canadians have come to rely.

Recommendations:

- The Government of Canada should take a leading role in defending health care as a public institution, and halt the widespread privatization of health care delivery in Canada.
- The Government of Canada should reject direct-to-consumer advertising of prescription drugs, and encourage the use of generic, less expensive drugs – one of the leading cost-drivers in the Canadian health care system.
- The Government of Canada should reject the harmonization of drug testing policies and procedures with the United States, and its corresponding "risk assessment" framework.

Water and the Environment

It is clear that NAFTA already poses a very real threat to Canadian water and the environment. As business elites continue to push for deeper integration with the United States, environmental standards and protections will continue to be dismantled in the service of corporate investors in natural resources. Putting profits before the health of people and nature is a trade off that our country, our world and our future cannot afford.

Recommendations:

- The Government of Canada should revise its national water policy so that it protects Canadian water from commodification, bulk exports, and privatization.
- The Government of Canada should emphasize the authority of the International Joint Commission as the sole arbiter for transboundary water conflicts, and reject any agreement that allows the United States to divert or export bulk water from the Great Lakes.
- The Government of Canada should examine the impact of NAFTA on the environment, particularly the effect of Chapter 11 on legislation aimed at environmental protection and conservation.

Agriculture

Canadian farmers have not reaped the benefits of free trade that were promised to them. Transnational producers who benefit from a system that favours big business over small family farms have pushed them out of the market. Since the FTA came into effect in 1989, exports of agricultural products have doubled, but Canadian farmers have seen their net income drop by 24 per cent. The Inquiry found that as the deregulation of agriculture increases, and U.S. and Canadian standards meld, independent farmers will suffer more and the quality, sustainability and safety of our food supply will continue to be compromised.

Recommendations:

- The Government of Canada should maintain the Canadian Wheat Board and supply-management mechanisms that support family farms, protecting them from the prejudiced impact of international trade agreements.
- The Government of Canada should evaluate the impact of free trade on Canadian farmers, and halt any further integration of Canadian agricultural policy with the United States.
- The Government of Canada should negotiate with the provinces to develop and implement measures to limit the ill effects of "vertical integration" - the concentration of control over the inputs, processing, distribution and retailing of agricultural products by a few large corporations.

Media and Culture

The Canadian government is faced with the decision, on several fronts, of whether or not to protect Canadian culture against the overwhelming presence of U.S. television, films, books, magazines, music and other media. The protections that Canadian cultural industries now enjoy are being eroded through trade deals and legislation that favour big business "investment" over homegrown producers. If we are to preserve our unique cultural identity and not be swept up by the dominant mainstream U.S. entertainment machine, we will have to stand fast and recognize culture as a fundamental right.

Recommendations:

- The Government of Canada should develop a national cultural policy that protects and promotes Canadian culture and supports local media producers.
- The Government of Canada should reject foreign ownership of Canadian media and telecommunications companies.
- The Government of Canada should unequivocally support the "cultural exception" in all current and future trade agreements.

Conclusion

The Citizens' Inquiry on Canada-U.S. Relations demonstrated that Canada needs a new approach to its relationship with the United States. Opponents of the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement have been proven right: these are not merely trade agreements. They have deeper implications for the make-up of Canada because they provide a framework for harmonizing and standardizing the policies and political orientations of the two countries.

We *do* have a choice. Canada should not be compelled, for fear of trade retaliation, to cooperate on projects that are solely or primarily of importance to the U.S. administration. Canada must deal with the United States' foreign, trade, defence and social initiatives on a case-by-case basis, not on an integrated basis. It should cooperate in areas where the two countries truly agree, but not be afraid to refuse to cooperate in areas that are clearly not in the public interest, as was the case with the proposed ballistic missile defence program. Canada may lose some popularity with the U.S. administration, but the exercise of sovereignty will increase Canada's credibility both among its citizens and in the international community.

The federal government must discontinue current negotiations and efforts to integrate Canadian policies with those of the United States and establish a royal commission to hear Canadians' views on the issue. The right to be heard by an elected government should not be restricted to well-funded corporate lobbyists. It is the duty of government therefore to ensure that Canadians know the consequences that free trade and more recent moves toward deeper integration with the U.S. are having on Canada, and to give all Canadians the opportunity for meaningful input into the future direction of Canada-U.S. relations.