



PRESENTATION ON THE SPP TO THE INTERNATIONAL TRADE COMMITTEE

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INTRODUCTION

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, public health care, and other issues of social and economic concern to Canadians.

The Security and Prosperity Partnership (SPP) is not, as its proponents claim, about eliminating the "tyranny of small differences" among the three NAFTA countries. It is quite literally about eliminating Canada's ability to determine independent regulatory standards, environmental protections, energy security, foreign, military, immigration and other policies.

There are many problems with the SPP, but I will confine myself today to discussing only three: democracy (or the lack of it), water and energy security.

A FAILURE OF THE DEMOCRATIC PROCESS

A major concern of the Council of Canadians, which should also be a major concern of Members of Parliament, is that the entire SPP process has proceeded without any parliamentary debate or public input.

To date, the only “stakeholders” involved or consulted in the SPP process have been representatives of big business. Apparently, when it comes to the future of North America, the public doesn’t count. Nor do elected officials who, according to SPP documents, are only to be “briefed” after decisions have been made.

In a move that cements the primacy of big business in this process, in March 2006, at the second SPP summit in Cancun, Mexico, the three NAFTA leaders announced the creation of the North American Competitiveness Council – the NACC.

Minutes from a January 10, 2006 tri-national “Public-Private Sector Dialogue on the Security and Prosperity Partnership” reveal exactly why the NACC was created – to “engage substantively and pragmatically on trade and security issues without undue deference to political sensitivities.” This meeting was organized by the Council of the Americas, which now houses the U.S. branch of the NACC, the North American Business Committee and the U.S. courier company UPS – a member of the NACC.

Business representatives at this meeting also appreciated the fact that, “The SPP has the ability to expand into many different areas beyond those identified in the initial stages of the process.” The NACC can therefore be seen as a driver of the SPP process, not simply one of its many working groups.

Ron Covais, president of Lockheed Martin, one of the U.S. companies that is a member of the NACC, told *Maclean’s* magazine last fall that the direction from the SPP Ministers was, “Tell us what we need to do and we’ll make it happen.” Covais also admitted that, “We’ve decided not to recommend any things that would require legislative changes [...] because we won’t get anywhere.”

This much was confirmed to us last month, when the Council hosted a visit by a delegation from the U.S. embassy. The embassy wanted to explain to us

the purposes of the SPP and to hear our concerns – something our own government has not yet done, even for Members of Parliament. At that meeting, U.S. embassy officials made clear there was no appetite to go through another "bruising NAFTA battle" and that it was for this reason that the three countries decided not to take the SPP to their legislatures. I do not think there is greater proof of the appalling lack of democracy that has characterized the SPP process than the fact we should learn from the U.S. embassy the reason why the SPP is being withheld from Parliament.

On the other hand, representatives of big business who are driving much of the process, remain fully involved. All of Canada's representatives on the NACC are members of the Canadian Council of Chief Executives (CCCE), a lobby group of the 150 largest corporations in Canada. The CCCE, led by Thomas d'Aquino, also acts as the Canadian secretariat of the NACC. Mr. d'Aquino co-chaired the original Task Force on the Future of North America that helped launch the SPP in 2004-05. That task force's recommendations, which included a call for a North American Resource Strategy, were tabled only weeks before the first SPP leaders summit in Waco, Texas in March 2005, and have since formed the basis of tri-lateral, government-mandated working groups.

THE THREAT OF BULK WATER EXPORTS

While the NACC and our current government vehemently insist there are no discussions of Canadian bulk water exports currently underway, minutes from the original Task Force on the Future of North America meeting in October 2004, and leaked to the Council of Canadians in 2005, reveal that the participants did in fact discuss resource sharing and concluded that the questions of Mexican oil and Canadian water "were likely to meet with stiff resistance." They were therefore best considered "long term goals." The task force members agreed "contentious or intractable issues will simply require more time to ripen politically."

However, it is obvious now that the United States is no longer thinking of the "long term" when it comes to securing Canadian water. Several U.S. officials have said very clearly, in recent years, that Canadian water is in their sights. I recently debated the former U.S. ambassador, Paul Cellucci, on this issue on CBC Radio.

Documents obtained by the Council of Canadians last month describe a series of closed-door meetings of government officials and business representatives from Canada, Mexico and the United States where a broad range of issues including bulk water exports were to be discussed.

Under the title the *North American Future 2025 Project*, the U.S. Center for Strategic and International Studies (CSIS), in collaboration with the Conference Board of Canada and Centro de Investigación y Docencia Económicas (CIDE), is sponsoring this series of “closed-door roundtable sessions” with government “practitioners” and private sector “stakeholders” in order to “strengthen the capacity of Canadian, U.S., and Mexican administration officials and that of their respective legislatures to *analyze, comprehend, and anticipate North American integration*” (my emphasis).

One of these roundtables, the “Future of the North American Environment,” was held on Friday, April 27, 2007 in Calgary. On the agenda was discussion of “creative solutions beyond the current trans-boundary water arrangements,” and “water consumption, water transfers and artificial diversions of bulk water” with the aim of achieving “joint optimum utilization of the available water.”

These meetings, funded at least in part by the U.S. government and the private sector (a fact also confirmed by the U.S. embassy), are about drafting policy, not making recommendations. According to the leaked documents, all three governments have agreed “that there would be a tremendous benefit to the current decision-makers” if a roundtable on border issues could serve “as the underpinnings to develop a blueprint for future border infrastructure and logistics systems as it relates to labor mobility, energy, the environment, security, and competitiveness.” The *Future 2025* final report is to be reviewed twice by the Canadian, Mexican and U.S. governments before September 2007, when it will be re-submitted to these governments in English, French and Spanish, with the aim of “maximizing the policy impact.”

SUSTAINABLE ENERGY SECURITY

Canada currently exports 63 percent of the oil it produces to the U.S. Under NAFTA, we are required to maintain these exports at the same or higher levels, as demand in the U.S. rises. At the same time, Canada imports 42

percent of the oil we consume from the Middle East and elsewhere, leaving us hopelessly dependent on other nations' exports. And unlike the U.S., Canada does not maintain reserves to supply its own needs in case of an emergency.

The problem with the North American Resource Strategy proposed by the SPP – as with NAFTA – is that it leaves Canadians victims of an official policy that renders Canada not only unwilling but unable to provide for the energy needs of its citizens -- now and in the future. As Gordon Laxer of the Alberta-based Parkland Institute, and one of our board members, recently asked in an editorial: "Which of the three NAFTA countries is most likely to freeze in the dark?" This is an absurdly irresponsible approach. It programs the Canadian government to fail in any efforts to meet our international obligations under the Kyoto Protocol as well as Parliament's obligations to its citizens to ensure our natural resources are managed in the public interest. The push under the SPP and NAFTA to serve the corporate as opposed to the public interest explains, as much as anyone needs to have explained, our current government's failure and refusal to develop a national environmental policy that would both protect the environment *and* serve Canadians.

CONCLUSION

The Future 2025 roundtables are only the most recent closed-door meetings on North American integration to be exposed by civil society. Last September, in Banff, the CCCE co-sponsored yet another meeting of corporate CEOs and political leaders from Canada, the United States and Mexico on the future of North America. Former and current government ministers attended and made speeches. Because the government insisted this was a “private” meeting, Canadians can’t know what our elected officials said. However, through access to information, we do know *why* they got together. From their own proposal for discussion we read: “We have come together to define and build a North American Community, a new and different relationship among the peoples and governments of Canada, Mexico, and the United States.”¹

It is high time the peoples to whom they refer were included in a meaningful way in the discussion and debate.

¹ A Vision of North America and Issues and Proposals for Discussion , Banff Meeting, Sept. 12-14, p.1

We recommend that the government of Canada:

- Cease all talks leading toward deeper integration between Canada and the United States until there has been meaningful public consultation on the issue.
- Disclose the complete listing of Security and Prosperity Partnership working groups and the minutes of their meetings.
- Disband the North American Competitiveness Council (corporations such as Manulife Financial, Home Depot and Wal-Mart should not be shaping economic policy between Canada and the United States).
- Bring the Security and Prosperity Partnership to the House of Commons for a full debate and vote.

The Council of Canadians has been working to raise public awareness about the issue of North American integration even before the SPP was agreed to in 2005. It is incumbent on our elected officials to now do the same.