

CSI (CANADA, SERVICES AND INVESTMENT): MIAMI

Was the “FTAA Lite” deal reached at the trade ministerial meeting in Miami this past November a victory for social justice movements?

In the weeks leading up to the Free Trade Area of the Americas (FTAA) meeting in November, it was clear that the September collapse of the World Trade Organization talks in Cancun was on everyone’s mind. Canada and the United States continued to aggressively push for a “NAFTA on steroids” deal complete with services and corporate investment rights, and to once again bully developing countries who were cautious about such a deal. Meanwhile, Brazil and other countries were pushing for an “FTAA Lite” deal in which the member countries could opt out of the most controversial sections, such as investment, services, and intellectual property rights. Given this “state of play,” another complete breakdown of negotiations like the one in Cancun seemed a real possibility.

A couple of weeks prior to the meeting in Miami, U.S. Trade Representative Robert Zoellick did what no one thought possible – he gave in. A draft declaration prepared in advance of the ministerial meeting stated, “Ministers recognize that countries may assume different levels of commitments.” The Canadian government’s chief

negotiator Claude Carrière later confirmed that this compromise between the U.S. and Brazil was presented to the others as the “untouchable” basis for negotiations.

On one level, this new development was good news and can be considered a significant victory. The “FTAA Lite” is certainly better than the all-encompassing comprehensive deal originally envisioned by George Bush Sr. years ago.

While the United States changed its position for the FTAA Ministerial, Canada was much more reluctant. In a rebuttal to the draft declaration from the U.S. and Brazil, Canada (along with Chile) launched an aggressive defence of the original NAFTA model that read more like corporate propaganda than anything else. However, in the end, Canadian negotiators had no choice but to accept the U.S. position.

Canada’s trade minister at that time, Pierre Pettigrew, spoke of progress even though he could hardly contain his disappointment. Canada, Chile and Mexico,

all of whom already have free trade deals with the U.S., were angered that other countries might get the same access to the U.S. market without paying the same heavy price that came with their agreements. With NAFTA, Canada gave up control of its economy to the U.S. and jeopardized long-standing social programs.

The “FTAA Lite” may be better than “NAFTA on steroids,” but it is still potentially a dangerous trade agreement. NAFTA has proven to be a failure, and building on failure only brings more failure. Brazil’s trade minister presented the final declaration as an “enabling” document. In other words, the FTAA will keep moving forward. And while countries may opt out, they will participate as observers and can join the negotiations at any time. Of course the United States wants a “NAFTA on steroids” agreement and will continue pressuring individual countries throughout the hemisphere to achieve this.

The good news is that the WTO talks have stalled and the FTAA negotiations are on a slow track. This is an ideal time for the Paul Martin government to undertake a complete review of Canada’s goals and strategies in trade, to learn from the mistakes of the past 15 years of free trade agreements, and to chart a new course.

Paul Martin was the finance minister in the government that brought NAFTA to Canada. Will he make the same mistake with the FTAA as Prime Minister?



Photo: Bill Moore-Kilgannon

Trade Campaigner Jean-Yves Lefort and Media Officer Laura Sewell on the streets of Miami.

Jean-Yves Lefort is the Trade Campaigner for The Council of Canadians.