

INTEGRATE THIS!

A Citizen's Guide to Fighting Deep Integration



October 2006



Dear Concerned Citizen,

Deep integration between Canada and the United States is not a theory or a fear – it is a reality. For several years now, task forces, working groups, commissions, coordinating committees and cross-border consultations have been working to harmonize Canada-U.S. programs and procedures. This has led to an incremental and systematic harmonization of Canadian and American regulations and standards governing health, food safety, and all aspects of the environment.

This harmonization process has been central to the demands of the big-business community in Canada. They contend that the only way to secure trade across the border and continued access to the U.S. market is to merge trade and border policies, including all regulatory, environmental and inspection systems. The Canadian Council of Chief Executives (CCCE), an organization that lobbies the government on behalf of Canada's largest corporations, argues that because the economies of the two countries are now so integrated, our domestic laws are essentially redundant.

Those pushing for deep integration are looking at a common customs union, as well as harmonizing existing policies, standards and regulations to a common norm. Combined with joint Canada-U.S. inspection and security procedures, this would essentially wipe out the Canada-U.S. border. This push will lead to the privatization of our health care system, the loss of control of our resources and further compromises in trade deals like what we saw with the softwood lumber dispute.

But there is hope. We can work together to demand that the Canadian government stop taking its cues from big business and put a moratorium on deep integration initiatives.

This is not a call to put up borders around Canada. Nor is it an announcement of presumed moral superiority with respect to our neighbours. What I believe, and what the Council of Canadians believes, is that Canada must decide if it is in our interest to forge deeper economic, foreign policy, social and resource ties with the United States under its most aggressive government in modern history, or if we are going to stand with moderate countries and people around the world to form a counterweight.

This booklet includes background information, key demands and suggestions of how you can get involved in the fight against deep integration.

Make your voice heard.

Maude Barlow
National Chairperson, The Council of Canadians

Deep Integration - Q & A

What is “deep integration?”

Deep integration is the harmonization of policies and regulations that govern the foods we eat, the items we buy, and how we live. It is the formation of a new North America that effectively erases the border between Canada and the United States in the interest of trade north of the border and to appease security concerns south of the border.

Who is pushing this agenda?

Big business interests on both sides of the border are pushing for stronger economic and political ties between Canada and the United States. Led in Canada by the Canadian Council of Chief Executives (CCCE), an organization representing Canada’s richest 150 corporations, and supported by national and regional right-wing think tanks like the C.D. Howe Institute, Fraser Institute and the Atlantic Institute for Market Studies, corporate groups are lobbying the Canadian government to get rid of border restrictions and policy differences with the U.S. in order to maximize their profits.

How is deep integration happening?

The Canadian government made a clear commitment to deep integration with the U.S. by signing the Security and Prosperity Partnership of North America (SPP). In March 2005, former prime minister Paul Martin, along with U.S. President George Bush and former Mexican president Vicente Fox, agreed to take steps toward regulatory harmonization, a continental resource pact (which

could open up access to Canadian resources like energy and water) and a “North American Security Perimeter.” Following the signing of this agreement, government representatives began working even more closely with corporate Canada, to find ways to merge commerce, trade, immigration, food safety and many other policies and regulations.

What is the state of integration?

A “progress” report in June 2005 revealed that representatives of all three countries were considering: electricity and gas collaboration; establishing a North American food safety coordinating mechanism; developing compatible immigration security measures; and sharing terrorist watch list data, among many other things. In March 2006, Prime Minister Stephen Harper formalized the involvement of corporate Canada in the SPP by helping create the North American Competitiveness Council (NACC), a group of 30 CEOs from all three countries whose recommendations on continental economic integration will avoid all public scrutiny.

Why should we be concerned?

The deep integration agenda is being implemented without debate or input from the public. The SPP was signed without the backing of Parliament, and without the general knowledge or acceptance of the Canadian public. Government committees and working groups continue to forge ahead with this big business agenda, and if it continues, the public will only find out about the details after the deals are signed.



Canada–U.S. Integration: A Chronology

Closer ties with the United States inevitably beg the question of “how close is too close?” If it means lowering our food safety standards, surrendering civil liberties in the name of “security,” risking our natural resources by signing pacts that will give unfettered access to oil, gas and water reserves, and losing even more economic stability for average Canadians with unfair trade agreements – then that is too close.

Aren't you being anti-American?

The reality is that Canada exists in close proximity to the United States, a country with strong economic, social and political policies. In a more globalized world, being next to this superpower logically raises the question of how much we, as Canadians, want our government's policy and future shaped by the U.S. Do we want to pool our resources, get rid of our shared border, and link our destiny to the U.S. administration? Or do we want to take a different path? We are not saying that Canada shouldn't work with the United States on joint concerns, but we believe that each country should be able to set independent policies and regulations.

What can I do about deep integration?

Getting informed is the first step. In this booklet, you will find fact sheets about deep integration, the Security and Prosperity Partnership of North America, the North American Competitiveness Council, military integration, water, energy and public health. You will also find our key demands for the Canadian government, most importantly a moratorium on deep integration.

But these demands are no good without public pressure behind them. We need you to help us spread the word about deep integration, whether that's by contacting your Member of Parliament, writing a letter to the editor, coming out to a Council of Canadians event, or signing a petition. The main thing is to take action and make your voice heard!

The Canadian corporate sector's push for deeper economic and political integration with the United States has developed in several phases, with both Liberal and Conservative government backing.

The Big Idea

In April 2002, the C.D. Howe Institute launched their “Big Idea” in a report by Wendy Dobson called *Shaping the Future of the North American Economic Space: A Framework for Action*. The report argued that Canada should entice the U.S. government into deeper economic integration by fully joining its “War on Terror,” offering more control over Canada's energy resources, and hinting at the possibility of greater access to Canadian water.

The corporate bandwagon

In 2003, the Canadian Council of Chief Executives (CCCE) released the North American Security and Prosperity Initiative, a 40-page position paper recommending that Canada participate in a North American Security Perimeter and that we harmonize several regulatory policies with the U.S. The paper preceded the launch in September 2004 of the Task Force on the Future of North America. A joint venture between the U.S. Council on Foreign Relations, the Mexican Council on Foreign Relations, and the CCCE, and co-written by former finance minister John Manley, the task force met in Toronto, New York and Monterrey between October 2004 and February 2005, and released a preliminary report called *Building a North American Community* in early 2005.

Security and Prosperity Partnership of North America

In March 2005, Paul Martin, George W. Bush and Vicente Fox met in Waco, Texas to ratify the Security and Prosperity Partnership of North America (SPP), which integrates recommendations from both the CCCE's Security and Prosperity Initiative and Manley's Task Force on the Future of North America. Despite a lack of public awareness or input, the three leaders agreed to take steps toward regulatory harmonization, a continental resource pact, and a North American security perimeter. Working groups were formed to put this "partnership" into action, and to date only industry "stakeholders" have been consulted. The next meeting of the SPP is planned for Canada in 2007.

Smart Regulation

In March 2005, former Treasury Board minister Reg Alcock launched the Canadian government's "Smart Regulation" agenda. The plan is to work with U.S. regulators to review, revise and harmonize regulations in order to integrate markets. Our fear is that regulations will be based on the lowest standard with the aim of boosting corporate profits, not improving the health and safety of Canadians. Smart Regulation is boosted by the federal government's Policy Research Initiative (PRI), a think tank close to the Privy Council Office, which has produced non-critical reports in favour of regulatory harmonization with the U.S., even as deregulation increases at an alarming rate in that country.

Atlantica and the Emergence of Cross-Border Regions

The PRI has also released a series of discussion papers on what they call "cross-border trading zones," where the effects of the Canada-U.S. border are to be minimized and cooperation intensified. In Eastern Canada, the Atlantic Institute for Market Studies, a right-wing think tank, and the Atlantic Region's Chambers of Commerce have called their trading zone "Atlantica." In June 2006, an Atlantica conference for Canadian and U.S. business leaders recommended eliminating as many non-tariff barriers to trade as possible, including labour laws, environmental regulations and other public policies that interfere with corporate profits.



The North American Competitiveness Council

The North American Competitiveness Council (NACC) was created at the second SPP meeting in Cancun, Mexico in March 2006 and announced by the three North American trade ministers in June. The NACC formalizes the involvement of the corporate sector in directing Canada-U.S. relations and puts huge multinationals – Lockheed Martin, Wal-Mart, Chevron, Scotiabank, Power Corp, Canfor, to name a few – in a position to

bypass the democratic process and realize their dream of an integrated, deregulated North American market. Ron Covais, CEO of Lockheed Martin, explained the role of the NACC to *Maclean's* magazine this way: "The guidance from the [three trade] ministers was, tell us what we need to do and we'll make it happen."

Deep Integration and Corporate Rule

The first report of the Security and Prosperity Partnership of North America (SPP) in 2005 described how decisions on Canada-U.S. integration would be made: “meetings” for business, “consultations” for stakeholders and “briefings” for Parliament. A public-private dialogue on the SPP from January 2006 talked about “marrying policy issues with business priorities,” and of building “a genuine constituency for North American integration.” A few months later, the Canadian, American and Mexican governments handed the private sector even more power by creating the North American Competitiveness Council (NACC).

Setting the agenda

The NACC is a group of 30 CEOs – 10 from each country – that has been asked to set the agenda for deep integration. “The priorities you identify will set the stage for our work going forward in the SPP,” said U.S. Secretary of Commerce Carlos Gutierrez at the launch of the NACC in May 2006. In one closed-door meeting since then, NACC members agreed to “hold governments’ feet to the fire” in a number of “lagging priority areas.”

The usual suspects

All 10 Canadian appointees to the NACC are members of the Canadian Council of Chief Executives (CCCE), a powerful corporate lobby group and Canada’s most vocal proponent of a North American union. Four of the U.S. member corporations – Chevron, Ford,

Lockheed Martin and Wal-Mart – were on Global Exchange’s 2005 list of worst corporate evildoers. Their involvement begs the question of whose security and prosperity the NACC is looking out for.

Integration is not just economic

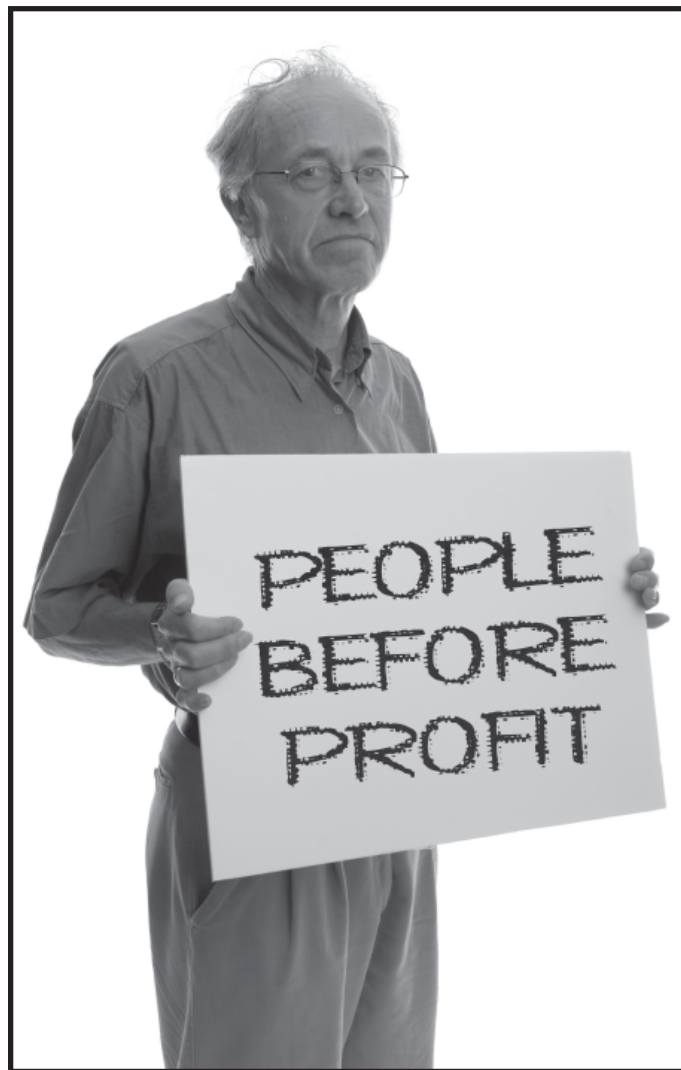
The corporate members of the NACC want Canadians to think that deep integration is a natural evolution of the North American economy. Yet they push for political concessions as a way to speed up the process. “We must enhance the interoperability of Canadian and United States armed forces on land, at sea and in the air including Canadian participation in a continental anti-ballistic missile system,” said a CCCE report. Deep integration will be total, not just economic.

No public access

The North American Competitiveness Council is bad for democracy. Without public access to the NACC, what guarantee is there that the CEOs won’t sell off our ability to govern for the sake of their own financial gain?

Keep reading this guide, for suggestions on what

you can do to stop deep integration and promote strong social programs and public services, independent foreign and trade policies and protection of Canada’s water, energy and natural resources.



Deep Integration and Health Care

Public health care is under attack in Canada. Business groups, right-wing think tanks and some politicians want to replace Canada's comprehensive, universal public system with a U.S.-style two-tier system. Our provincial governments are in no rush to stop them. And the federal government is hastening privatization by harmonizing our environmental, food and health-related policies with those of the U.S. Unless Canadians rise up to defend it, our public health care system will not survive this double onslaught from the for-profit sector and deep integration.

Canada is already privatizing

About one third of all Canadian public health spending goes to for-profit care, as services are de-listed and doctors opt out of medicare. Private clinics are multiplying, particularly in British Columbia and Quebec, while Canada Health Act violations, like service charges and annual fees at clinics, go unpunished. Since the 2005 Supreme Court decision in the Chaoulli case, provinces are now also considering allowing private insurance to compete with Canada's universal health insurance plan. This will allow people to pay for faster service – if they can afford it.

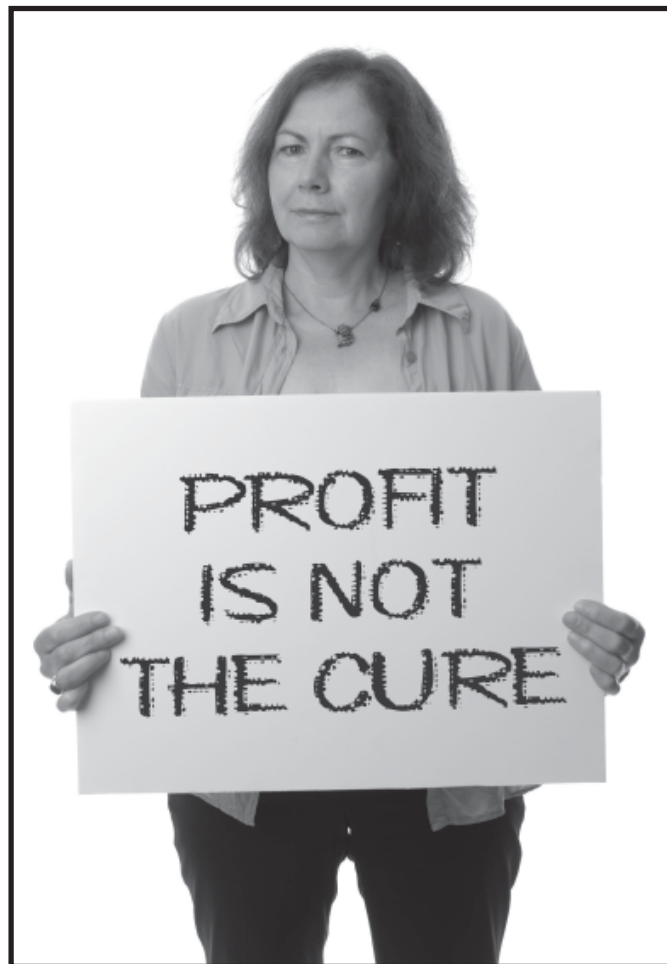
Why is this happening?

Health care in Canada is still suffering from massive federal cuts to provincial transfers in the mid-1990s, which resulted in increased wait times and a shortage of doctors and nurses across

Canada. Provincial governments, starved of federal funding, are turning to the private sector for solutions, even if all the evidence proves that this will be more expensive, drain the public system of resources, and lead to longer wait times.

Profit's point of no return

The exemption for health care within the North American Free Trade Agreement (NAFTA), which has largely kept the big U.S. for-profit health corporations out of Canada, applies only to a fully publicly funded system. Once privatized, the system must treat U.S. companies as if they were Canadian. This would make U.S. private hospital chains, HMOs and private insurance companies eligible for government funding, draining resources from the public system. Meanwhile, doctors will flee the public system looking for more money in the private sector.



Save public health care

Canada can and must find public solutions to wait times, hire more doctors and nurses, and strengthen our public health insurance system so that all

Canadians get timely, equal access to health care. Public solutions are possible at a cost we can afford, not at one that would bring U.S.-style private health care to Canada.

To find out more information and to join the Profit is not the Cure campaign, visit www.profitisnotthecure.ca.

Deep Integration and Water

The world is running out of clean water. The American Southwest, in particular, is mining it for industrial and agricultural purposes, faster than nature can replenish it. Rather than reducing the amount of water they use, U.S. politicians and business leaders are looking north for an easy way out in the form of diversions from the Great Lakes and wholesale bulk water exports.

“Some have suggested [moving water in] abandoned pipelines that used to carry energy,” said George W. Bush, six months into his first presidency. “That’s a possibility. I would be open to any discussion.”

“[Water] wasn’t an issue when I was ambassador, but it was one that I always found puzzling that it was completely off the table,” former U.S. ambassador Paul Cellucci told a CanWest reporter in September 2006.

“It is nearly inevitable that bulk water exports from Canada ... will take place, given the political circumstances, within the next two to five years,” said Paul Michael Wihbey, president and founder of Global Water and Energy Strategy Team, during a September 2006 Business Forum in Banff, Alberta.

A Probe Research national survey released in July 2006 found that 74 per cent of Canadians are opposed to selling our water like a commodity to the U.S., but ongoing regulatory and policy harmonization between our two countries is leading us down that path. There are many reasons why this is a bad idea:

1. Water is not a renewable resource. Bulk exports and diversions remove it from the ecosystem permanently.

2. Water is a necessity of life. No one should be denied access to water because they can’t afford to pay for it.

3. Water could be threatened by trade agreements. The North American Free Trade Agreement (NAFTA) defines water as a “service” and an “investment,” leaving Canadian water vulnerable to thirsty foreign investors. Once Canada allows water to be withdrawn and transported to other countries for large-scale industrial purposes, there will be no turning off the tap.

4. Water is not a commodity to be bought and sold. Bulk water exports will not address the issues of urban sprawl and wastage. It would be better to find solutions to the causes of water scarcity, instead of selling it to the highest bidder.

Canada needs a new National Water Policy that bans the export of water for profit, implements strict restrictions on water diversions, and recognizes a strong federal role in the protection of this valuable resource. The

Canadian government must also agree to enshrine the right to water in international law, ensuring that people all over the world are guaranteed access to safe water for drinking and sanitation.

Check out www.canadians.org for more information on what you can do to help save Canada’s water.



Deep Integration and Energy

Discussions on deep integration make frequent reference to a “North American energy market,” or “North American energy security.” The rich business leaders controlling the Security and Prosperity Partnership of North America (SPP) prefer a simpler term: energy integration. Whatever you call it, the plan would hand control of Canada’s oil and gas reserves to American companies, and tie the Canadian economy to an environmentally catastrophic energy supply at the expense of our domestic needs.

U.S.-owned oil sands

As it is, over 50 per cent of Alberta’s Athabasca oil sands production is already U.S.-owned. These companies pay a measly 1 per cent royalty to the Alberta government for the right to extract oil – one of the lowest rates paid anywhere in the world for similar privileges.

Canada recently replaced Saudi Arabia as the United States’ top supplier of oil. We now export 65 per cent of our oil to the U.S. and yet we have to import 55 per cent of the oil that Canada needs from Algeria, Venezuela and Norway. The proportionality clause in the North American Free Trade Agreement (NAFTA) ties us to these export levels so that even in the event of energy shortages, we would have to continue piping oil and gas south at the same rate as we do now. A further integrated energy market could tie Canada to even higher export levels, forcing Canadians to pay the price in times of need.



Environmental impact

Oil sands production is destroying the environment at an alarming rate. Alberta is poised to become one of the world’s main sources of greenhouse gas emissions. Oil sands development destroys vast tracts of land, clears forests, and consumes 26 per cent of Alberta’s groundwater. It takes at least six

barrels of water to extract just one barrel of oil. The resulting toxic wastewater cannot be put back into circulation, so it sits in 50-square-kilometre pools visible from space.

At the Council of Canadians, we believe that a Canadian energy security strategy should include:

1. A moratorium on new oil sands development until a full environmental and social assessment can be done;
2. A pivotal role for renewable energy that doesn’t tie us to oil and gas from environmentally catastrophic sources like the Alberta oil sands;
3. An exemption of energy from NAFTA’s proportional sharing clause, similar to the one Mexico negotiated with the U.S. before signing the deal;
4. A return to Canada’s previous policy of maintaining a 25-year supply of oil and gas to meet domestic needs first.

Canada needs an independent energy security plan that doesn’t tie us to U.S. interests and to the U.S. economy. The real agenda behind “energy integration” is the corporate sector’s willingness to give U.S. oil and gas companies a monopoly on how we power Canada’s future. We deserve better.

Deep Integration and the Military

Since the 9/11 terrorist attacks, the U.S. has repeatedly reminded Canada that “security trumps trade.” Proponents of deep integration, that means that unless Canada throws its full support behind President George Bush’s “War on Terror,” the U.S. will shut its border to Canadian goods. So far our government has not disappointed them. Canada has drastically increased military spending in order to fight U.S. wars abroad, and we have put U.S. demands at the heart of our foreign policy.

Why Afghanistan?

As Canadian casualties continue to climb in Afghanistan, it’s becoming increasingly clear that our government agreed to participate in the mission in order to appease the United States. According to a recent CBC report, Jean Chrétien ignored military advice when in February 2003 he decided to send 2,000 troops to Afghanistan. The move was to save face with Bush, who wanted Canadian troops for Iraq. Former defence minister Bill Graham admitted in 2005 that “mending fences with the Bush administration” was also a key factor in agreeing to lead today’s extremely dangerous mission in southern Afghanistan.

Because Canada has dedicated the majority of our military resources to the war in Afghanistan, our participation in United Nations peacekeeping has significantly declined. Before the mid-1990s, Canada was consistently among the top-10 contributors of UN troops. In 2005, Canada had dropped to 35th out of 96 participating countries. Today, Canada’s total contribution of troops to UN peacekeeping missions could fit on a single school bus: 56 soldiers, out of 66,786 international troops serving in UN peacekeeping operations worldwide.

Going ballistic

Though Canada officially said no to missile defence in 2005, Canadian participation in the U.S. scheme looms on the horizon. Prime Minister Stephen Harper has said he is open to discussing the idea with President Bush, and former Canadian ambassador to the U.S. Frank McKenna has urged the Liberal party to reconsider its position. This is despite a new militarized U.S. National Space Policy that rejects future arms control agreements and asserts the right to restrict access to space to anyone “hostile to U.S. interests.”

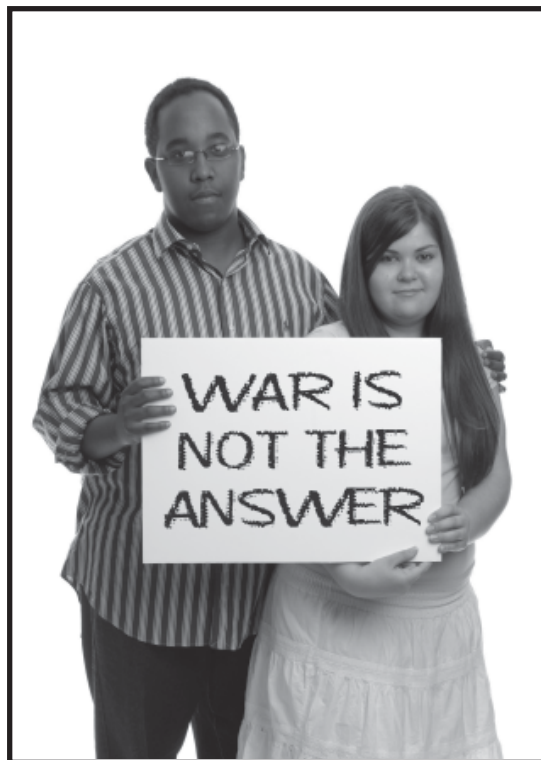
A common foreign policy

In September 2006, the Department of Foreign Affairs and International Trade handed Parliament an updated list of strategic directions. At the very top of that list was “greater collaboration with the United States,” particularly on military missions abroad, “to demonstrate that Canada is interested in being supportive of American priorities.” This is despite an international policy survey conducted by the University of Ottawa in October 2005, cited in DFAIT’s own report, showing that

83 per cent of Canadians think we should pursue an independent foreign policy, even if it leads to disagreements with the United States.

What can we do?

The current Conservative government knows that military integration with the U.S. is unpopular. But unless we make our voices heard, Canada will continue to sink deeper into the mud of the U.S. “War on Terror” – a war that by all accounts has made the world less safe. Canada needs to remember its roots and take a leadership role in keeping the peace.



Our Demands

The Council of Canadians' demands in regard to deep integration with the United States are simple, and stem from a strong belief in participatory democracy.

There is no good reason why Canadians should be kept in the dark about issues as important as the economic and social future of our country. Corporations certainly shouldn't be drafting government policy behind closed doors. Most of our elected officials do not understand the extent of deep integration and have not had a chance to vote on the Security and Prosperity Partnership of North America. Big corporations are currently setting the parameters and timeline for Canada-U.S. integration without our approval. This cannot continue, which is why we demand the following of the Canadian government:

1. **Cease** all talks leading toward deeper integration between Canada and the United States, including the next Security and Prosperity Partnership summit planned to take place in Canada in 2007.
2. **Disband** the North American Competitiveness Council. Corporations such as Manulife Financial, Home Depot, Wal-Mart and Lockheed Martin should not be shaping economic policy between Canada and the United States.
3. **Bring** the Security and Prosperity Partnership to the House of Commons for a full debate and vote. The Harper government has promised that, "significant international treaties will be submitted for votes in Parliament."
4. **Disclose** the complete listing of Security and Prosperity Partnership working groups, their contact persons and participating membership, and, if they continue, make public their meeting dates, minutes, and provide opportunities for public input.
5. **Consult** with Canadians in a meaningful and participatory way on Canada-U.S. relations. The majority of Canadians would prefer a "Sovereignty and Justice Partnership" with the United States, which protects Canada's energy, water and public health care system, over a corporate-driven security and prosperity agenda.



What you can do

There are many ways to get involved in the fight against deep integration. We encourage citizens to become informed about the issues, and to find creative ways to ensure that the Canadian government gets the message that further integration with the United States is not acceptable.

Here are some ideas to get you started.

- 1. Get in touch with your Member of Parliament and the Prime Minister.** Write a letter or make a phone call to let them know your views on deep integration.
- 2. Write a letter to the editor.** This is a good way to share information and get your views out to a larger audience. One of the concerns with the push for deep integration is that mainstream media is not critically analyzing how the government is forging closer ties with the United States, and when they do write about the topic, they most often quote government and big business representatives.
- 3. Sign a petition or a postcard against deep integration.** Visit www.canadians.org to download a postcard protesting against deep integration. Send your postcard in and we will include it with the thousands of others we have received, and deliver them to Parliament in the near future.
- 4. Hold a meeting.** The Council of Canadians can help you find speakers and provide materials for a general discussion about deep integration. Many communities across Canada are having these meetings as a way to help Canadians become better informed about the issues.
- 5. Join the Council of Canadians.** The Council is Canada's largest citizens' watchdog organization with more than 70 local chapters across the country. We work to protect Canadian independ-

ence by promoting progressive policies on fair trade, clean water, energy security, public health care, and other issues of social and economic concern to Canadians. The Council does not accept money from corporations or governments. We are sustained by the volunteer energy and financial assistance of our members.

For more information about the Council of Canadians and our campaigns, check out www.canadians.org, or call us at 1-800-387-7177.





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