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## Deep Integration in North America: Security and Prosperity for Whom?

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## Executive Summary

A decade after the North American Free Trade Agreement came into effect, the governments of Canada, the United States and Mexico agreed to develop a new regulatory framework for North America. The “Security and Prosperity Partnership” is a process of negotiation concerning ongoing economic and political integration in North America. These discussions are being held behind closed doors. Corporate executives are the only ones who are being consulted on the priorities for further cooperation in North America, while the security interests of the United States shape the boundaries of the discussion.

In this paper, I explain why a broad based agenda of regulatory reform should be of concern to the Canadian public. I situate the discussion in terms of a short history of North American integration and describe what is meant by “deep integration”. I go on to discuss the role of corporate executives in the Security and Prosperity Partnership and reflect on the economic interests behind it. I then turn to the customs and immigration issues arising, as well as the impact of the US security agenda on workers in Canada.

As social activists, we usually have our eyes on the laws that are proposed, passed, reformed or defeated in our respective legislatures. What the SPP reveals, is that government executives in North America are willing to cooperate to avoid legislative change and public debate. Democratic debate and decision is making way for privileged corporate access and new rules that undermine sovereignty and human rights.

The Canadian economy has become increasingly tied to the United States. The most recent trade figures from the US indicate how badly out of balance the U.S economy is. Nevertheless, since 9-11, Canadian investors with powerful economic interests in closer integration with the United States have refocused their efforts, but now have cloaked them in the language of national security. Given the context of widespread opposition within civil society and among progressive political parties, a bold new treaty on customs union would never survive the opposition. Proponents of ongoing liberalisation have moved underground to promote what is known as “deeper integration” across North America.

“Deep integration” refers to the idea is that the more governments harmonize regulations across borders, the “deeper” economic integration has been achieved. It is not just about policy harmonization in North America. It is policy harmonization that increasingly opens social life across the continent to the discipline of the market. So, in this respect it is about increasing the power of corporations and ongoing de-regulation.

However, the current project of regulatory reform is also meant to impose a new layer of regulations on workers, citizens and residents of North America. In this sense then, deep integration is also about re-regulation and a much stronger role for the state.

The general goal of the SPP is to increase cooperation on economic and security issues without changing a single law. In the first year of the SPP, governments established Ministerial-led working groups. Government leaders announced the formation of the “North American Competitiveness Council” (NACC) to advise them. Membership on the NACC is comprised of chief executive officers from large companies in Canada, the United States and Mexico, as well as key leaders of business organizations.

The SPP is not a signed treaty, and it has never been brought before the legislatures of North America for discussion and review. It is driven by the executive levels of government in consultation with the business community, but excludes the legislatures and parliamentary oversight. No parliamentary committee is holding hearings on the work of the SPP. It is a process that depends upon working groups within the public service of all three countries, but excludes public consultation. The CEOs, however, have unfettered access to this process.

The SPP embodies the reactionary response to terrorism led by the United States, followed by Canada and Mexico, and inscribed in national anti-terrorism laws. Elements of a common trade and security perimeter are being introduced, with implications for sovereignty. On the security front, advances are also extremely worrisome in terms of civil liberties. Immigrants and workers of colour face specific threats under the new security regime.

The great tragedy of this new cooperative dynamic between Canada, the United States and Mexico, is that it does nothing to address the most pressing issues of our day. There has never been a better reason for co-ordinated reflection and action between activist communities in North America. The costs of ignoring the mounting challenges to democracy are just too high.

## Introduction<sup>1</sup>

A decade after the North American Free Trade Agreement came into effect, the governments of Canada, the United States and Mexico agreed to develop a new regulatory framework for North America. The “Security and Prosperity Partnership” is a process of negotiation concerning ongoing economic and political integration in North America. These discussions are being held behind closed doors. Corporate executives are the only ones who are being consulted on the priorities for further cooperation in North America, while the security interests of the United States shape the boundaries of the discussion.

In this paper, I explain why a broad based agenda of regulatory reform should be of concern to the Canadian public. I situate the discussion in terms of a short history of North American integration and describe what is meant by “deep integration”. I go on to discuss the role of corporate executives in the Security and Prosperity Partnership and reflect on the economic interests behind it. I then turn to the customs and immigration issues arising, as well as the impact of the US security agenda on workers in Canada.

As social activists, we usually have our eyes on the laws that are proposed, passed, reformed or defeated in our respective legislatures. Since 9-11, for example, we have opposed the threat to human rights embodied in the *Canadian Anti-terrorism Act*. We continue to organise to try to repeal the Security Certificate provision in Canadian Immigration Law which allows Muslim men to be held for years without trial. What the SPP reveals, however, is that government executives in North America are willing to co-operate to avoid this kind of legislative and public challenge. Democratic debate and decision is being replaced by privileged corporate access and new rules that undermine sovereignty and human rights.

## North American Integration

Since the Canada-U.S Free Trade Agreement came into effect in 1989, followed by the North American Free Trade Agreement in 1994, the Canadian economy has become increasingly tied to the United States. Canada is its largest trading partner and its biggest supplier of both crude oil and natural gas.<sup>2</sup> From 1996 to 2005, Canada's trade surplus with the United States increased 227% (from \$66.225 billion to \$150.595 billion).<sup>3</sup>

Free trade agreements, however, have not guaranteed secure access to the US market for other Canadian goods and services, such as softwood lumber.<sup>4</sup> The Canadian automotive sector is highly integrated and continues to account for a significant percentage of North American jobs, trade and investment, but integration has not guaranteed jobs in Canada. To the contrary, thousands of jobs have been lost in the past two years because of the strength of the Canadian dollar, the artificial weakness of the Japanese yen, and record imports of vehicles from Asia.<sup>5</sup>

Integration between Canada and Mexico has been less apparent. In many respects, Canada and Mexico are more like spokes attached to the US hub, than strongly related to one another. Nevertheless, trade between Canada and Mexico has increased over the past decade. Canada's top manufacturing imports from Mexico include automotive vehicles, audio and video equipment, computer equipment, as well as automotive electrical equipment, parts and engines. From 1996 to 2005, Canada's trade deficit with Mexico increased from \$4.775 billion to \$11.229 billion.<sup>6</sup>

We miss an important lesson, however, if we think about economic integration in North America only in terms of trade flows. The NAFTA is partially about trade but more fundamentally is about changing of the role of the state in relation to investment. It has allowed private investors to continue

to push for privatization of public services and an expanded role of the market into the public economy. The creation of an integrated and increasingly privatized North American economic bloc is intended to strengthen the position of North American corporations in world order, under the economic and security umbrella of the United States.

International trade and investment agreements have not resolved the structural weaknesses of the largest economy in the world.<sup>7</sup> The US economy is characterised by chronically massive trade deficits and war budget deficits. Its designation as the world's largest debtor-nation is undisputed. The US corporations have compounded this situation and benefited by sending production off-shore, only to be imported for consumption into the United States.

The most recent trade figures from the US indicate how badly out of balance the U.S economy is. There was a surplus in services of US\$ 72.5 billion in 2006, but the US imported more goods than it sold to the rest of the world by a record US\$ 836.1 billion.<sup>8</sup> Of this, it carries a deficit in goods of US\$ 232.5 billion with China; US\$ 72.8 billion with Canada; and US\$ 64.1 billion with Mexico.

Under the Bush government, tax-cuts and military spending have transferred income to the wealthiest, while sending the federal budget spiralling into a series of deficits. Gone are the days when US hegemony derived from a pattern of production based on nationally-based industries. The disastrous war in Iraq, along with its inability to reach agreements through multilateral institutions, shows how far the United States has moved towards unilateralism and the coercive use of power.

Nevertheless, since 9-11, Canadian investors with powerful economic interests in closer integration with the United States have refocused their efforts, but now have cloaked them in the language of national security. Business groups, such as the Canadian Council of Chief Executives, as well as the C.D. Howe Institute called for a “strategic bargain” to ensure secure access to the US market. The so-called “big idea” promoted institutional change intended to turn the Canada-US border into an internal check-point and create a security perimeter for North America. It also advanced the idea of a North American identity card and advocated a common currency.

Against this backdrop, social movements were also organising. Coalitions throughout the Americas formed a Hemispheric Social Alliance to fight the US plan for a Free Trade Agreement of the Americas (FTAA)<sup>9</sup>. After a long and conflictive process during which time social movements mobilised to challenge the neo-liberal logic of the FTAA, five governments in South America refused to sign-on. The FTAA did not come into effect in January 2005 as proposed by the United States. Currently, with minority governments in Canada, a prolonged and severe political crisis in Mexico, and a president with historically low approval ratings in the United States, a bold treaty on customs union would never survive the opposition.

The “big idea” of negotiations leading to a broader trade and investment treaty has fallen out of favour.<sup>10</sup> Rather, in the context of widespread opposition within civil society and among progressive political parties, proponents of ongoing liberalisation have moved underground to promote what is known as “deeper integration” across North America.

## What is Deep Integration?

Some define deep integration as coordinated actions by governments intended to eliminate regulations and open up service markets to foreign competition.<sup>11</sup> Others simply call it “NAFTA-plus”. At its core, the idea is that the more governments harmonize regulations across borders, the “deeper” economic integration has been achieved.

Currently, the Conservative government is expanding the policy of regulatory cooperation that was initiated by the previous Liberal government. As the Minister of Industry Canada said recently, he is working “to ensure that Canada and US regulations are harmonized.” Where this is not possible, Minister Bernier stated, the government will work with industry to recognise regulatory differences and ensure “an attempt be made to soften them.”<sup>12</sup>

The agenda of regulatory reform tells us that the NAFTA did not bring absolute free trade into being. There are still ways in which market relations are subjected to restraint by society. From a neo-liberal point of view, this must be changed, political opposition notwithstanding. If tariffs are already low, then government spending must be cut. After program spending has been slashed, remaining “barriers to trade” include public services, restrictions on foreign investment, industrial policies, labour standards, employment insurance and minimum wages.

Neo-liberal ideology tells us that the reform agenda should diminish environmental regulations; speed up food safety and drug approvals; loosen occupational health and safety requirements; and facilitate the rapid production, export and consumption of energy resources. Regulatory reform is also meant to impose corporate-defined benchmarks as “best government practices” to govern the provision of public services.

It is important to see that “deep integration” is not just about policy harmonization in North America. It is policy harmonization that increasingly opens social life across the continent to the discipline of the market. So, in this respect it is about increasing the power of corporations and ongoing de-regulation. However, the current project of regulatory reform is also meant to impose a new layer of regulations on workers, citizens and residents of North America, framed with an “anti-terrorism” justification. In this sense then, deep integration is also about re-regulation and a much stronger role for the state.

Regulatory reform appears at one level to be a mundane and routine area of public policy which simply deals with “what makes sense.” In some ways, North Americans have accepted there will be ongoing tri-national discussions to tinker with NAFTA around the edges, but we pay a high price for accepting regulatory reform without comment. The idea of ever expanding markets has become normalized, and, as Bruce Cockburn has often reminded us, “the trouble with normal, is it only gets worse.”

## **Security and Prosperity Partnership and the NAAC**

In the absence of a new round of trade negotiations, North American executives in government and in business have given regulatory reform top priority. In March 2005 at a summit in Waco, Texas, Presidents Bush, Fox and Prime Minister Martin announced the establishment of the Security and Prosperity Partnership of North America (SPP). As the leaders affirmed, “Our security and prosperity are mutually dependent and complementary.”<sup>13</sup> Their intention is to develop a regulatory cooperation agreement by the end of 2007. The general goal of the SPP is to increase cooperation on economic and security issues without changing a single law.

In the first year of the SPP, governments established Ministerial-led working groups. There are ten working groups on security and nine on prosperity.<sup>14</sup>

Working groups have been asked to report on a semi-annual basis, but their reports have not been made public. As of this date, we have no knowledge of working groups consulting with scientific groups, stakeholders or any organizations other than provinces and territories.

The two Presidents and Prime Minister met again in March 2006 in Cancun, Mexico where the leaders announced the formation of the “North American Competitiveness Council” (NACC). Membership on the Council is comprised of chief executive officers from large companies in Canada, the United States and Mexico, as well as key leaders of business organizations. CEOs were asked to give governments “independent advice on practical things that government can do” to facilitate trade and advance regulatory reform.<sup>15</sup> The Canadian Council of Chief Executives acts as the secretariat to the Canadian component.

The NAAC has no formal relationship with the SPP working groups in the bureaucracy, but NACC members have been invited to report to leaders and to attend Ministerial meetings, as well as summits with the Presidents and Prime Minister. In these fora, they will present their priorities for regulatory reform directly to the executive level of government. Unlike a parliamentary committee which offers advice on government policy, the NACC has not made public their results from consultations within the business community, minutes of their meetings or any statement of priorities.

The SPP is not a signed treaty, and it has never been brought before the legislatures of North America for discussion and review. It is driven by the executive levels of government in consultation with the business community,

but excludes the legislatures and parliamentary oversight.<sup>16</sup> No parliamentary committee is holding hearings on the work of the SPP. It is a process that depends upon working groups within the public service of all three countries, but excludes public consultation. The CEOs, however, have unfettered access to this process.

The Presidents and Prime Minister plan to meet in Canada at the remote resort of Kananaskis, Alberta later in 2007. They will receive the reports from the working groups and will meet with the NAAC. Ministers will meet with business groups and working groups in Canada in February 2007 and will submit their next report to leaders at the 2007 summit.<sup>17</sup>

The SPP is a major policy initiative that concentrates power in the executive level of North American governments. Government leaders are seeking advice directly from corporate executives which will then be used to direct the working groups in the bureaucracy of the three countries. Not a law will be changed, so neither Parliament, the House of Representatives nor the Camará de Diputados will be consulted. No treaty will be signed, so the agreements that are made will not be scrutinized in a democratic manner. The effects upon our three societies have already been profound.

This is what plutocracy looks like.

## **US Economic Security and the SPP**

A process of regulatory reform might seem innocuous, but the SPP is anything but that. Regulations put high level policy into operation in our day-to-day lives. Under the SPP, almost every single dimension of Canada-US relation is being reviewed in light of the US security agenda. This security agenda includes economic interests as defined by the largest corporations in North America.

Although Canada is the largest trading partner of the United States, it is by no means an equal partner in terms of the hemisphere or world order. Certainly, on softwood lumber, defence, security, energy and climate change, many international issues, the positions of the Bush administration have come to shape the Canadian policy landscape.<sup>18</sup> One could argue that the Canadian government's embrace of the SPP reflects the inability of the NAFTA to establish a more equal relationship.

Considerable resources have been put towards the SPP by the Canadian government, based on the argument that, at this time successful Canada's economic interests must be framed in terms of the security interests of the United States. Since September 11, 2001, the Canada-US border has become the nexus of both security and trade issues. Although it would seem that "security trumps trade" since the US has become a nation at war, Canada's business leaders believe the two are intertwined.

Tom D'Aquino, President of the Canadian Council of Chief Executives, argues that Canada's role as the US largest supplier of energy is both a trade and a security issue and neither government will jeopardize the relationship.<sup>19</sup> This is a key point in understanding the US definition of "security" in energy. As John Dillon has pointed out, Stephen Harper likes to talk about Canada becoming a "new energy super-power" through the development of the tar sands. The goal of the massive project is to ensure the insatiable appetite for energy in the United States continues to be supplied.<sup>20</sup>

The SPP regulatory agenda is meant to facilitate the extraction of oil, as well as the construction of pipelines to export the oil, and subsequent refining in the US<sup>21</sup> When Canada signed the NAFTA, it agreed to a "proportionality agreement" that committed Canada not to reduce the proportion of oil exported to the United States. As tar sand production comes on-stream, it will be increasingly difficult to limit oil exports, or the environmental damage resulting from the project's expansion.

The hyper-development of the tar sands is being carried out with little respect for the rights of Aboriginal communities, or the fragile environment which is being subject to watershed destruction, over-extraction and contamination.<sup>22</sup> The Mikisew Cree have decided to formally oppose oil sands development because of their concern over the industry's use of water and the proposed changes to regulations which would increase the amount of water drawn from the Athabasca River.<sup>23</sup>

Given the structural inequalities between the three governments, it is unlikely that standards other than those of the United States will prevail in the new framework for trilateral regulatory cooperation.<sup>24</sup> For example whose interests will prevail when setting regulations on food safety, or when governments agree to “adopt best practices” on the approval of pharmaceutical products?<sup>25</sup> Whose interests will prevail as governments “work to resolve differences in pesticide maximum residue limits that may be barriers to trade”?<sup>26</sup>

Canadian federal policy now requires all departments and agencies to review international best practices and limit the number of specifically Canadian regulations.<sup>27</sup> In the current political conjuncture, this is a dangerous policy because it gives priority to transnational economic interests that supercede the interests of particular communities. Bruce Campbell and Mark Lee are correct to call for “regulatory diversity” instead of harmonization.

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This is particularly important political point to make given the fact that the Bush Administration has decided to give priority to regulatory reform in its remaining two years. Following from the election of a majority of Democrats in the House of Representatives, US President Bush signed a directive insisting that each government agency (e.g. Environmental Protection Agency; Occupational Safety and Health Administration) must have a political appointee running its regulatory policy office.

Regulations must only be instituted if the agency can prove a “market-failure” and each agency must account for the combined costs and benefits of all of its regulations each year. The White House must review any significant guidance document before they are issued. No guidance document may use the word “must”, “shall”, “require” or “requirement”.<sup>29</sup>

The US government will impose regulations when it suits its interests, however. Nor does it hesitate to extend its regulations to private companies outside of the United States. For example, the US Treasury Department has a policy prohibiting dual citizens from one of six restricted countries from holding US dollar accounts anywhere in the world.<sup>30</sup> Only after public outcry did the Royal Bank of Canada back down from complying with this policy.

## **Borders—Immigration and Customs Issues**

The SPP embodies the reactionary response to terrorism led by the United States, followed by Canada and Mexico, and inscribed in national anti-terrorism laws. Under the Liberal government in 2001, Canada and the US signed the “Smart Border Declaration which has since led to increased harmonization of Canadian and US customs and immigration policies. The SPP provides for an ongoing process of negotiation on the terms of expanded border surveillance infrastructure. Elements of a common trade and security perimeter are being introduced, with implications for sovereignty. On the security front, advances are also extremely worrisome in terms of civil liberties.

The SPP commits Canada to share vast amounts of information with the United States government. Canada and the United States have agreed to negotiate a “visa information-sharing agreement”. The two governments have already agreed to share fingerprints of refugee and asylum seekers.<sup>31</sup> They have committed to “develop compatible immigration security measures”.<sup>32</sup> Governments intend to develop compatible “biometric border and immigration systems”, and “coordinate background checks, credential recognition and

document security standards” across North America. These changes will make it possible for biometric identifiers to link up with immense data bases containing information about individual travellers.<sup>33</sup>

On aviation security, the SPP envisions “comparable aviation passenger screening.” Canada will share data about “high-risk” travellers.<sup>34</sup> Canada has agreed to permit US officials to decide whether certain individuals are allowed to travel inside Canada.<sup>35</sup>

The SPP protects certain “trusted” business travellers from the inconvenience of continuous surveillance, but everyone else will face increased scrutiny on an ongoing basis. Canada’s “no-fly list” will be activated in March 2007 for domestic flights and will be extended to international flights in June. Airlines will have to check traveller names against the list before issuing boarding passes. If the name, gender and birthdate match those of someone on the list, that traveller will be denied boarding.<sup>36</sup>

Where legal restrictions on sharing of information arising from criminal investigations exist, governments have agreed to find ways of diminishing them.<sup>37</sup> As regards intelligence cooperation, governments are finding ways to share “terrorist watch-list data” and “resolve gaps in cross-border information-sharing channels.”<sup>38</sup> Certainly in light of the Maher Arar report, as well as the lack of any concern or response from the US government, the sharing of information about “suspected terrorists and criminals” is a threat to civil liberties and should not be permitted.<sup>39</sup>

Under the SPP, Canada and the US are making plans to increase the capacity of borders to handle increased traffic, and intend to conclude a formal “land pre-clearance agreement”.<sup>40</sup> Canada and the US are proposing to harmonize commercial information systems and allow exchanges of customs officers to analyze cargo data.<sup>41</sup> Governments intend to strengthen border infrastructure so as “to provide expedited security processing at the first port of entry into North America of identified low-risk shipments”.<sup>42</sup>

On maritime security, there are proposals to “make compatible regulatory and operational maritime security regimes.”<sup>43</sup> On “critical infrastructure protection”, the SPP envisions “compatible protective and response strategies.”<sup>44</sup> Coordinated joint training and exercises will be held on a bilateral basis.

In 2005 and 2006, Canada and the US completed exercises in the St. Clair and Detroit rivers permitting officers to board the other country’s vessels and authorize pursuit of vessels crossing the border.<sup>45</sup> The increased militarization of “the world’s longest undefended border” is an indication of the extent to which the Canadian government has given into the security hysteria. Only after great public outcry did the United States agree not to use live ammunition in exercises on the Great Lakes.<sup>46</sup>

## **US Security Agenda and Workers in Canada**

Recently, the impact of US government regulations that discriminate against workers on the basis of their racial and ethnic origin became apparent to defence workers at Bell Helicopter in Montreal who are building 480 American military helicopters. The US State Department’s “International Traffic in Arms Regulations” (ITAR) prohibits workers in the aerospace industry who were born in one of 19 proscribed countries from working on US defence contracts. Despite human rights law in Quebec and Canada, twenty-four workers at Bell Helicopter were removed from their positions. The case of one worker, Mr. Jaime Vargas, is being taken up by the Centre for Research-Action on Race Relations. Mr. Vargas was removed from his internship at Bell Helicopter soon after Venezuela was added to the list of proscribed countries.<sup>47</sup>

Already, a biometric security screening system has been introduced to monitor workers at twenty-nine airports across Canada. The biometric identification card contains images of the cardholder’s fingerprints and iris. All airport personnel gaining access to secured areas will now be required to

present their card and submit to a fingerprint or iris scan. Workers worry that the cumulative health and safety impact of multiple iris scans each day has not been properly studied.<sup>48</sup>

The federal government says it reduced post-9/11 wait-times at the Windsor-Detroit border by sharing information with the United States and instituting mechanisms of identifying high and low-risk goods and people. The impact on workers of colour has been especially harsh. Workers report that a general climate of fear and mistrust has been established by the new security measures which require workers to apply for security clearance and special permits. Even after having received the permits, drivers report they face racial profiling and harassment at the border.<sup>49</sup> Not only are truckers harassed for bringing their lunch across the border,<sup>50</sup> but they will soon have to submit to even more onerous background security checks, finger-printing and fees.<sup>51</sup>

If they need an airport security pass, air transportation workers must first provide documentation from police in countries where they have resided for more than three months in the past five years.<sup>52</sup> In the marine industries, workers also face extreme privacy invasions. As a result of pressure from unions, Transport Canada had to change some of the most oppressive features of the new Marine Transportation Security regulation. Still, the new regulation targets workers without dealing with the risks of uninspected empty containers in ports.<sup>53</sup>

Governments are discussing ways of cooperating on the detention and removal of undocumented migrant workers. The United States and Mexico agreed on the repatriation in 2005 of 35,000 Mexicans, as well as increased support for border infrastructure and surveillance.<sup>54</sup>

## Conclusion: Security and Prosperity for Whom?

The great tragedy of this new cooperative dynamic between Canada, the United States and Mexico, is that it does nothing to address the most pressing issues of our day. Social movements throughout the Americas have a series of well developed priorities which were developed in common reflection on the issues faced by working people across the hemisphere. Some of these priorities are now being addressed by new progressive governments in South America.<sup>55</sup> They are not being addressed by the national governments of North America.

Given the many ways in which governments in North America could cooperate to increase social equality, we should note what the SPP does not address. It does not address poverty in North America. It does not address joblessness, or pay equity. It does not provide a response to deindustrialization or worsening trade deficits in manufactured goods. It does not address growing economic inequality or climate change. The Security and Prosperity Partnership does not commit itself to fight institutional racism. It is not concerned with income security for retired workers or the educational needs of children across the continent.

The SPP does not tackle access to public health care or respect for labour rights. The SPP does not encompass electoral reform, nor does it contemplate access to quality child care. In the SPP view of the state “social provision” and “welfare” are completely absent.

That is not to say that there is no role for the state in an era of “deep integration”. Indeed, the public sector is seen to be central to enforcement, monitoring and surveillance, facilitating the growth of markets, or as a potential market in itself. State institutions do play a significant role in the Security and Prosperity Partnership, but that role is defined by the marketplace and the politics of fear. In some respects, the SPP is an exercise in

mapping, permitting the governments of North America to have a clear idea of what the status quo is in terms of regulatory cooperation. This will facilitate greater harmonization in the future.

Since the Second World War, the United States has drawn Canada ever closer to itself. Canadians, however, have stubbornly taken their leaders to task in the great debate over whether governments should promote an east-west, or a north-south economic orientation.<sup>56</sup> Indeed, Canadians, and their social movements, have worked hard to reveal the interests of capitalists hidden behind the “invisible hand” of the free market. Over the past five years, the institutional racism exerted by the iron fist of the security regime has been revealed as well.

The people of Canada have a potentially critical vantage point from which to understand the role of corporate power and empire. This we share with our Mexican counter-parts. There are also communities of marginalised peoples within the United States which have perspectives on how we need to organize to challenge unequal relations of power. There has never been a better time for co-ordinated reflection and action between activist communities in North America. The costs of ignoring the mounting challenges to democracy are just too high.

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- 1 I would like to thank John Dillon, Karl Flecker, Linda Gallant, Andrew Jackson, Tom Juravich, Sheila Katz and Mary Shortall for providing me with very helpful comments on earlier drafts.
  - 2 In 2006, the United States imported 625,075 thousand barrels of crude oil from Canada, 562, 211 thousand barrels from Mexico, and 513, 832 barrels from Saudi Arabia. US Census Exhibit 3. General Imports of Crude Oil by Country, Not Seasonally Adjusted: December 2006  
[http://www.census.gov/foreign-trade/Press-Release/current\\_press\\_release/exh3s.txt](http://www.census.gov/foreign-trade/Press-Release/current_press_release/exh3s.txt); In 2005, 87% of US imports of natural gas came from Canada. Table SR2 Summary of US Natural Gas Imports 2004-2005, Energy Information Administration- Office of Oil and Gas, US Natural Gas Imports: Issues and Trends 2005, February 2007  
[http://www.eia.doe.gov/pub/oil\\_gas/natural\\_gas/feature\\_articles/2007/ngimpexp/ngimpexp.pdf](http://www.eia.doe.gov/pub/oil_gas/natural_gas/feature_articles/2007/ngimpexp/ngimpexp.pdf)
  - 3 Trade Data Online, Statistics Canada “Canadian Trade Balances, Total for All Industries, Canada-United States, Latest 10 years.” <http://strategis.gc.ca> Report Date: February 14, 2007.
  - 4 Canadian Broadcasting Corporation, “In depth: Softwood Lumber Dispute”  
[http://www.cbc.ca/news/background/softwood\\_lumber/](http://www.cbc.ca/news/background/softwood_lumber/)
  - 5 Canadian Auto Workers, “Japanese Currency Devaluation must be G-7 Summit Issue, Hargrove says”, February 7, 2006. Canada News Wire  
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  - 9 Common Frontiers website <http://www.web.ca/comfront/hems2.htm>
  - 10 Donald Barry, “Managing Canada-US Relations in the Post-9é11 Era: Do We Need a Big Idea?” Center for Strategic and International Studies, Policy Paper on the Americas, Volume XIV, Study 11, November 2003.
  - 11 Bernard Hoekman and Denise Eby Konan, “Deep Integration, Nondiscrimination, and Euro-Mediterranean Free Trade”, May 1999, [World Bank Policy Research Working Paper No. 2130](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=604992)  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=604992](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=604992)
  - 12 Hon. Maxime Bernier, Evidence, Standing Committee on Industry, Science and Technology, November 7, 2006.
  - 13 Office of the Press Secretary, Joint Statement by President Bush, President Fox and Prime Minister Martin on the Security and Prosperity Partnership of North America, March 23, 2005,  
<http://www.whitehouse.gov/news/releases/2005/03/20050323-2.html>
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