



NAFTA: America First, or People and the Planet First?

By Sujata Day, Trade Campaigner

U.S. President Donald Trump has made many threats about NAFTA – he has threatened to rip it up and he has threatened Canadian dairy farmers, forestry workers, and many Canadian policies. Most importantly, he has threatened that NAFTA renegotiations should put “America first.”

Here at the Council of Canadians we believe that any NAFTA renegotiation should be about making the deal better for everyone – and that can only happen by putting people and the planet first.

Often, NAFTA is pitched as a battle between Canadian, American and Mexican interests. The battlefield is for markets and the beneficiaries are corporations. Former Conservative Prime Minister Brian Mulroney wanted NAFTA to be about oil companies making back-room pitches to U.S. politicians. This meant corporate oil interests were heard while other voices weren't.

NAFTA has been detrimental to environmental policies in Canada, the U.S. and Mexico. NAFTA's Chapter 11, also known as investor-state dispute settlement (ISDS) provisions, allow corporations to sue governments over policies and regulations that impede their profits. All three countries' environmental policies have been attacked through these provisions. In Canada, corporations have used ISDS to challenge laws

against fracking and pesticides. Two-thirds of ISDS suits against Canada have challenged environmental regulations. In the U.S., Trans-Canada launched a \$15 billion suit over the denial of the Keystone XL pipeline. The suit was dropped when President Trump agreed to approve the pipeline project. Mining companies in Mexico have used ISDS to successfully challenge environmental regulations.

The energy proportionality clause in NAFTA locks Canada into guaranteeing oil and gas exports to the U.S. This means more extreme energy production in the tar sands and fracking, and ties our economy to the petroleum industry with troubling repercussions for the planet.

Water resources are also at risk. NAFTA lists water as a tradable good, leaving it vulnerable as a potential resource grab for drought-plagued U.S. regions. With the deal's proportionality clause, once any jurisdiction in Canada allows water exports, we would not be able to limit them.

Statistics show NAFTA has led to the abandonment of family farms in favour of large agribusiness. In the last 40 years, Canada has lost 45 per cent of its farms while agriculture exports tripled from \$11 billion to \$33 billion between 1988 and 2007. According to a National Farmers Union survey, net farm income fell by more than half over this same

period, while Canadian farm debt doubled. Mexico, a traditional producer of corn, is now an importer of American corn and has lost an estimated 2 million job in the agricultural sector. With imports of cheap, unhealthy food, obesity rates have soared.

Many point to Mexico as a winner of jobs. However, Mexico's poverty rate – a shocking 52 per cent – has remained the same during the NAFTA years. Mexico's minimum wage, adjusted for inflation, fell by 26.3 per cent between 1994 and 2012. In Canada and the U.S., income inequality has risen substantially.

Trade between countries can be good, but only if it's focused on making things better for people and for the planet. With your generous support, we are creating tools to help educate people about NAFTA and inspire them to take action for a better deal. We are creating videos, factsheets, talking points and tips they can use to meet with their Member of Parliament. Your donations also ensure the Council of Canadians will be a part of a large tri-lateral meeting with farmers, Indigenous people and Labour representatives to ensure civil society moves forward with a united voice.

NAFTA has not been a good deal for people or for the planet. With renegotiation, it is imperative that our government presses for a better, fairer deal.

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