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Following George W. Bush's re-election last week, Canadian Prime Minister Paul Martin reiterated his Liberal government's desire for closer relations with Washington. When he phoned Bush to congratulate him, Martin invited the US President to make his first official visit to Ottawa. Planning is now said to be well advanced for a presidential visit, most likely before Bush's January 20 second-term inauguration.

Martin made the need to repair relations with Washington—which became strained when the Canadian government balked at the eleventh-hour at joining the US invasion of Iraq—a central theme of his campaign to replace Jean Chrétien at the head of the Liberal government. However, Martin has been increasingly criticized by Canada's corporate-controlled media and big business for failing to deliver on this promise since becoming Prime Minister in December 2003. Typical was a comment last week by Thomas D'Aquino, the president and CEO of the Canadian Council of Chief Executives (CCCE), which represents the country's 150 biggest corporations. D'Aquino chastised Martin for repeatedly delaying giving the Bush administration a favorable answer to its request that Canada participate in the US missile defence shield program. "What you need on an issue like this is leadership. If you're going to make a controversial decision it's your responsibility to go out and explain to the people what the pros and cons are. You can't simply hide in your wine cellar..."

Martin has also been derided for failing to kick Carolyn Parrish out of the Liberal's parliamentary caucus. An Ontario Liberal MP, Parrish has repeatedly denounced Bush as a war-monger and criticized him and his entourage as idiots. Martin's "put a pretty big emphasis on improving Canada-US relations—or at least said he's going to," commented Canadian Federation of Independent Business President Catherine Swift last week. "Wouldn't [putting Parrish out of the caucus] be a clearer signal that he means what he says?"

One factor in Martin's equivocation is the strong popular antipathy toward the Bush administration, the occupation of Iraq, and a more bellicose US imperialism. According to a recent opinion poll, four out of five Canadians believe that the US is acting like "a rogue nation." A second factor is the recognition that a closer partnership with the US cuts across the Canadian nationalist ideology that the ruling class has promoted, particularly through the Liberal Party, to harness working people to its rule. Historically mainstream Canadian nationalism was identified with the Conservative Party, the British Empire and opposition to the egalitarian spirit of US democracy. But in recent decades, it has been given, with the assistance of the social-democrats and trade union bureaucracy, a "left" spin, with the Canadian nation-state falsely held up as a pacific and progressive alternative to the

rapacious dollar republic to the south.

The most powerful sections of Canada's corporate elite are convinced, however, that the economic and geo-political shifts of the past decade leave them no choice but to seek a closer economic, strategic and military partnership with the US, so as to secure their predatory interests in a world characterized by an ever-more frenzied struggle for markets, profits and natural resources.

The disruption of Canada-US border traffic in the aftermath of the September 11, 2001 terrorist attacks brought home to Canadian big business its vulnerability in the event that Canada should find itself outside Fortress America. With 85 percent of all Canadian exports going to the US and some 40 percent of Canada's GNP tied to Canada-US trade, no major country in the world is so dependent on a single trading partner.

There are also concerns within Canada's elite that their historically privileged relationship with Wall Street and Washington is being eroded as the US forges free trade deals with other states, new countries like Mexico and China emerge as major trading partners and sites of US investment, and Britain and Australia assume the role of the US's most loyal military allies.

Brian Mulroney, the Tory prime minister who negotiated the Canada-US Free Trade Agreement and who since retiring from politics has emerged as one of the country's most influential corporate directors, has spoken repeatedly in favor of a Canada-US customs union and a "common security perimeter."

Last April, the CCCE, far and away the country's most powerful business lobby group, issued a 43-page manifesto titled "New Frontiers: Building a 21st Century Canada-US Partnership in North America." It calls for the Canadian government to seek a special relationship with the US that would ensure that Canada-US commerce would not be disrupted by US security concerns and that would place Canadian goods and companies beyond the ambit of normal US trade laws. "Economic and physical security," declares the CCCE, are "inseparable." We "must integrate our plans for achieving economic advantage with a strategy for assuring the security both of our own borders and the continent as whole."

While the CCCE says it is not necessarily in favor of a single negotiation aimed at reconfiguring the entire Canada-US relationship, it is categorical in its rejection of an incremental approach in response to emerging issues. The Canadian government, it insists, must actively promote a closer partnership, what some have called NAFTA-plus, others "deep integration."

To secure a closer Canada-US partnership, the CCCE advocates that the Canadian government address US concerns about Canada serving as an entry point for terrorists and drastically increase its military capacity and military cooperation with the US.

While the CCCE does not explicitly criticize the Liberal government's decision to keep the Canadian Armed Forces (CAF) out of the US invasion of Iraq, it deplores the current state of Canada's military, calls for a "major infusion of new money" into border and internal security and the military, urges Ottawa to sign on to the US missile defence program forthwith, and advocates a major expansion of the CAF's capabilities to deal with both crises within North America and to intervene overseas. "[If] we are going to do our duty to ourselves and to Canadian values, we have to show the world that we are no longer a free rider on American coattails and a toothless advocate of soft power, and instead are serious about being a true ally in the struggle for global peace and security."

As a further means of winning US support, the CCCE advocates that the Canadian government offer Washington and Wall Street a "resource security pact." While such a pact would exempt Canadian lumber from US trade actions, it offers the US the far greater prize of increased and guaranteed access to Canada's energy resources. Canada—with its oil, natural gas and hydro-electric power—is already far and away the largest exporter of energy to the US, and Canadian business hopes to attract US investment in numerous energy projects in the far north, Quebec and Alberta's tar sands.

The five elements of the CCCE's "comprehensive strategy" are: 1) reinventing borders, i.e., working with the US to establish a common security perimeter through far greater security-intelligence cooperation and possibly the introduction of a Canadian national identity card with biometric identifiers; 2) the harmonization of business regulations in Canada and the US, in effect a mechanism for further gutting environmental and labor standards in both countries; 3) a "resource security pact"; 4) "reinvigorating the North American Defence Alliance"; and 5) developing new institutions to manage the Canada-US partnership.

That the CCCE's proposals have attracted the attention of the Liberal government, as well as Canada's NAFTA partners, was indicated last month, when, the Canadian, Mexican and US governments gave their blessing to the establishment of a task force to "examine regional integration since the implementation of the North American Free Trade Agreement ten years ago."

The task force has been organized under the auspices of the US Council on Foreign Relations, a body that functions as a quasi-official foreign policy think tank of the US government and publishes the journal *Foreign Affairs*. According to the lead article in the Oct. 16 *National Post*, "Senior business and political leaders from Canada, the United States and Mexico are joining forces to establish a blueprint for a powerhouse North American trading bloc to take on the world, shielded by a Fortress-America style defence perimeter."

Co-chairing the task force are a former Republican governor of Massachusetts, William Weld, ex-Mexican Finance Minister Pedro Aspe, and, from Canada, the former Liberal Deputy Prime Minister John Manley.

CCCE President and CEO D'Aquino has been named one of the task force's three vice co-chairs. Other members of the tri-national task force include former federal Tory Finance Minister and Bay Street executive Michael Wilson, former Quebec Premier and Parti

Québécois leader Pierre-Marc Johnson, former Alberta Treasurer and current TransAlta executive James Dinning, and Tom Axworthy, a former principal secretary to Prime Minister Trudeau. US participants include Nelson Cunningham of Henry Kissinger's strategic counselling firm Kissinger McLarty Associates, Heidi Cruz of Merrill Lynch, and several former US ambassadors to Canada. Mexico is represented by leading businessmen and academics, including Alfonso de Angotia of Grupo Televisa.

The committee, which is to report in the summer of 2005, is to examine the possibility of the three NAFTA partners developing common tariff and regulatory policies—i.e., a customs union—and increased security cooperation.

On a visit to Canada late last month, Mexican President Vicente Fox voiced support for a NAFTA-plus, saying that a closer North American economic bloc was needed to meet the threat of China. The Mexican elite entered into NAFTA with the hope that Mexico's large reserves of cheap labor would attract massive US investment in export-oriented assembly operations. Such operations did grow significantly in NAFTA's early years, but the Mexican elite's *maquiladora* strategy has since been seriously undercut by the emergence of China as the world's largest site of export-assembly production.

The most powerful sections of Canadian capital seek a closer partnership with the United States to intensify their assault on the working class at home, profit from US economic and geo-political domination around the world, and better position themselves to confront their business rivals in Europe and Asia. Weaker sections of Canadian capital who fear they will be marginalized or eliminated as a result of closer economic integration with the US, along with the social-democratic NDP and the trade union bureaucracy, can be expected to oppose NAFTA-plus from the reactionary standpoint of the defence of the of the Canadian capitalist nation-state and "Canadian" jobs and businesses.

The bourgeoisie's deployment of global economic integration to intensify the assault on workers' jobs, wages and social benefits and the ever-intensifying economic and geo-struggle among rival, nationally-based capitalist cliques for profits, natural resources and pools of labor to exploit points to the urgency of uniting workers in Canada, the US and Mexico with the international working class in a common struggle against capitalism its nation-state system.



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