

Trade Justice Network

Réseau pour le commerce juste

Letter to provincial and territorial premiers on the eve of the 2010 Council of the Federation meeting in Winnipeg, Manitoba

July 29, 2010

Dear provincial and territorial premiers:

The Trade Justice Network formed this past February in response to the many concerns its member organizations have with the proposed Canada-European Union Comprehensive Economic and Trade Agreement (CETA). Based on a leaked copy of the CETA text, and occasional briefings with federal trade negotiators since last October, network members, including environmental, labour, culture and social justice advocacy groups, feel strongly that the Canada-EU trade talks are going too far, too quickly – and with far too little public debate.

We understand that the provinces and territories have by now submitted initial CETA offers to the federal government, and that this agreement will be on the agenda at the upcoming Council of the Federation meeting in Winnipeg. We are writing to urge you to consult widely and publicly in your respective provinces and territories on these offers. The people you represent need to hear what your government hopes to achieve through the CETA negotiations and what the trade-offs are. It is fundamental to democracy that interested members of the public be given the opportunity to ask questions, express concerns, and shape your government's position with respect to CETA and any other trade agreement for that matter.

Our own concerns as the Trade Justice Network are detailed in educational materials on our website (<http://tradejustice.ca>). With respect to provincial and territorial responsibilities affected by the CETA negotiations, our concerns include but are not limited to the following:

Public Contracts: Canadian provinces, territories and cities must retain the policy space they need to use public money in support of sustainable local economic development. Bans on local preferences and other offsets on public spending, as requested by the EU based on the still controversial WTO Agreement on Government Procurement, must be rejected. Governments should be encouraged to maximize the long term social value of public spending, which means looking beyond the lowest offer when tendering contracts. Canadian cities in particular need the space to consider broader social goals, including green job creation and local farming, when spending public money.

Regulatory control: As regulators, provincial and territorial governments play a leading role when it comes to protecting people and the environment. While common high standards of environmental protection across Canada would be ideal, the reality is that some provinces, territories and cities are moving more quickly on needed environmental reforms to help us transition away from fossil fuels and create good, green jobs. The EU is asking broadly that provincial differences in rules and regulations affecting business flows be

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eliminated. This would have the effect of curbing ambitious environmental policies in one province or territory by forcing governments to recognize the lowest standard as the norm. In the absence of any means of ensuring the highest standard becomes the norm, there should be complete reservation in CETA of the provincial and territorial right to regulate in the areas of public services, culture, finance, public health and the environment.

Public Services: Many public services in Canada, including health care and water, are delivered provincially or municipally. Subjecting services to international trade regimes through CETA could easily threaten the public delivery of these services and make introducing new universal services, such as public daycare, impossible or very expensive. In combination with the EU's extensive requests on procurement, it is clear that multinational water and health care companies in Europe would receive powerful new legal tools to encourage privatization. Governments must retain the authority to favour public delivery of services, such as water treatment and distribution, without fear that such a policy would be considered a barrier to trade in services by European Union companies. EU demands to increase patent terms and strengthen data protection in the intellectual property chapter also threaten health care. Such reforms have already increased the price of generic drugs in other EU trading partners. In Canada, where drug costs are the leading cause of increased health care budgets across the country, they threaten the sustainability of our cherished public system.

Food Sovereignty: Food policy in Canada is a shared responsibility between federal, provincial, territorial and even municipal governments. Increasingly, Canadians are thinking about how individually and as local communities they can support small farmers and local food production. But Canadian food sovereignty is threatened in several ways by CETA. First, the EU request that Canada ratify UPOV '91, a version of the International Convention for the Protection of New Plant Varieties, would "virtually eliminate farmers' rights to save, reuse and sell seed," according to the National Farmers Union. The EU is also aggressively seeking new access for dairy product exports, which threatens provincial supply managed systems in dairy that guarantee good prices for consumers and fair incomes for farmers. Worrying for Atlantic Canada in particular are EU demands for better access to Canadian ports and an elimination of export tariffs on goods such as unprocessed fish. This would be in exchange for lower import tariffs in the EU for these products but the EU requests would appear to eliminate any gains on the Canadian side and increase the risk of over-fishing Canadian waters.

Investment: A key concern for the Trade Justice Network, as well as for Members of the European Parliament and fair trade advocates in Europe, is the inclusion in CETA of an investor-state dispute process as exists in Chapter 11 of NAFTA. As you know, this process has allowed U.S. and Mexican investors to bypass the courts and directly challenge provincial health, environmental and resource-related policies before private trade panels. The NAFTA lawsuit by Dow AgroSciences against the Quebec government's ban on the cosmetic use of pesticides is an egregious example. The provinces and territories should not be entertaining giving EU companies the same rights under CETA. Investors are protected by Canadian and EU law – they do not need further tools to use as insurance against changes in public policy made to serve the common good.

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Furthermore, the federal government should immediately begin negotiations with the United States and Mexico to remove the investor rights provisions in Chapter 11 of NAFTA.

Clearly the CETA negotiations with the EU go far beyond trade issues. They will impact a number of legislative and regulatory areas that will affect how the provinces, territories and cities make public policy. On top of this, serious questions have been raised in the media and in studies of the proposed Canada-EU trade deal about whether the projected gains have been exaggerated, in which case there could very well be more losses to the provinces and territories than there are potential gains. The best way to find out for sure is to have an open, inclusive and comprehensive public discussion about CETA.

Fundamentally, CETA will have a profound effect on Canadian democracy. Despite the involvement of the provinces and territories for the first time in a Canadian trade negotiation, there has not been adequate consultation with Canadians about this deal. Much more needs to be done provincially to seek and acquire an informed, consensual mandate from the public on how, or whether, to continue negotiating CETA with the EU.

We look forward to hearing from you about how public consultations on CETA will be carried out. Our member organizations would be happy to assist the provinces and territories in arranging these consultations.

Sincerely,

The Trade Justice Network

Member Organizations:

Alternatives, ATTAC-Québec, Canadian Auto Workers Union, Canadian Biotechnology Action Network, Canadian Conference of the Arts, Canadian Health Coalition, Canadian Labour Congress, Canadian Union of Postal Workers, Canadian Union of Public Employees, Canadian Union of Public Employees Ontario, Canadian Youth Climate Coalition, Common Frontiers, Communications, Energy and Paperworkers Union, Council of Canadians, Fédération des travailleurs et travailleuses du Québec, Indigenous Environmental Network, International Association of Machinists and Aerospace Workers, Manitoba Federation of Labour, National Farmers Union, National Union of Public and General Employees, Northern Territories Federation of Labour, Ontario Council of Hospital Unions, Polaris Institute, Public Service Alliance of Canada, Registered Nurses' Association of Ontario, Rideau Institute, Science for Peace, Sierra Club Canada, Union Paysanne, United Steelworkers, Toronto and York Region Labour Council, Alberta Federation of Labour