

An open letter from Canada



As the EU-U.S. Transatlantic Trade and Investment Partnership (TTIP) agreement vote was postponed in the European Parliament on Wednesday, the European Union is on the precipice of a major decision. Lurking in the background is another key decision about the EU-Canada Comprehensive Economic and Trade Agreement (CETA).

We Canadians are writing to you, the Socialists, New European Left, and Greens, because you have the power to stop these dangerous trade deals. With this type of trade agreement, we have a choice: Do we accept rising inequality, unchecked corporate power, and lowered social and environmental standards, allowing the one per cent to become richer at our expense, or do we draw a line in the sand?

As Canadians, we have first-hand experience with these kinds of deals, having passed the North American Free Trade Agreement (NAFTA) with the U.S. and Mexico. And we have some tales to tell.

In 1988, many of us took to the streets to fight the Canada-U.S. Free Trade Agreement, later expanded to include Mexico. NAFTA included one of the first investor-state dispute settle provisions, the infamous clause that allows foreign corporations to sue governments for lost profits. We worried about losing our public services, our water, and our environmental and safety standards.

Free trade was a defining issue in the Canadian election of 1988. But while a majority of Canadians voted against the agreement, our first-past-the-post electoral system delivered a Conservative government that signed the deal.

Fast forward 27 years to present-day Canada. We now face more investor-state lawsuits than any other developed country.

Even the historic St. Lawrence River, the river that European settlers sailed down when they first explored Canada, is affected. The province of Quebec put a moratorium on petroleum exploration on the river to prevent hydraulic fracturing (fracking), a controversial extraction technique banned in France and other jurisdictions. As a result, the Canadian government was sued for \$250 million by a company headquartered in Canada but registered in the United States.

Meanwhile in the small community of Digby, a picturesque fishing town near the much-loved Bay of Fundy, a joint federal-provincial panel rejected a quarry after an exhaustive environmental review. The Canadian government paid the price: Bilcon, the company, won an investor-state lawsuit.

Also on the east coast, the province of Newfoundland and Labrador used to have an economic development plan requiring oil companies to contribute to petroleum research. Investment arbiters ruled that requirement was a hindrance to profit-making, and Canada paid \$17.3 million.

Canadians' ability to govern themselves as they see fit has been usurped.

EU Trade Commissioner Cecilia Malmström and the EU international trade committee has said that investor-state provisions will be reformed – at least in TTIP. They're promising to replace investment arbiters, often accused of being in the pocket of investors, with independent judges. But as Canadian academic Gus Van Harten has stated, investor courts inevitably elevate the rights of investors. They provide companies with legal, binding rights that do not extend to citizens or their environment.

Europeans must remember, too, that Canadian Trade Minister Ed Fast has publicly stated that CETA is a closed deal. As such, it will go through with the investor-state provisions that we Canadians know and fear. Once it's passed, there's nothing to stop American corporations from registering in Canada and launching their dreaded lawsuits from here.

To stop TTIP, you first have to stop CETA.

With CETA, our governments have been promising new jobs. Ours has been promising 80,000 new jobs, a figure for which no one can find a source. We heard this all before with NAFTA. Fellow Canadian Murray Dobbin writes: "By the late 1990s Canada had lost hundreds of thousands of highly paid industrial jobs due to NAFTA. The trade numbers look even worse today. In our largest export market – the three NAFTA countries – Canada has steadily lost ground to Mexico."

On both sides of the Atlantic, decision-makers sell the deal based on positive stereotypes about the other. In Canada, Europeans are seen as sophisticated, environmentally conscious allies who won't harm us. CETA, unlike TTIP, has gone under the radar because unlike Americans, Canadians seem innocuous, small and powerless. Like our national symbol, the Mountie, we are the stand-in for earnest, cooperative, non-violent people far away under ice and snow.

But don't be fooled by appearances. Our corporations, whether European or Canadian, by nature exist to make money. They are trying to increase profits and please shareholders, and will use whatever trade deals are available to help them do so, whatever the social and environmental cost.

As we have seen in trade deals all over the world, companies are eager chameleons, taking on any national identity in order to get their way. There are countless so-called "American" companies with head offices in Canada suing the Canadian government at the moment. With CETA, an American company can easily get a foothold in Canada with little more than a post office box in order to sue an EU country.

Regulatory harmonization gives industry groups the ability to easily challenge “undue” regulations, on food safety, GMOs, and more. The rules that protect us are up for constant debate by business. Also, it puts pressure on governments to privatize public services, the very vectors of an equal, educated and healthy society. Unless specifically excluded from trade agreements, once an industry is privatized, it is then subject to legal challenges if future governments want to make it public again.

Already, Canada’s oil industry is paving the way to sell tar sands crude to Europeans. Claiming that the EU’s Fuel Quality Directive is unfair to Alberta’s tar sands, the Canadian government lobbied successfully to lower Europe’s leading edge environmental standards and labeling of “dirty oil.” CETA could bring in more dirty oil to the EU.

As witnessed in various elections, Europe is screaming for change: more democracy, more equality, and more protection of the environment, the very goals your parties strive to achieve. But these goals cannot be achieved by words or even legislation in the face of all-encompassing trade agreements. To ignore these agreements is to throw out your own platforms and submit to the demands of the one per cent.

Many are asking for a line in the sand. This week in Munich, 40,000 people protested TTIP; protesters at the G7 were pepper sprayed for their troubles. Two million people have signed a European petition to reject TTIP, and 97 per cent of the 150,000 consulted by the European Commission rejected the investor-state provisions and resulting corporate lawsuits.

Citizens are becoming more informed and sophisticated. As many leftist parties go through internal questioning, citizens look to you for visionary leadership. They, and we, are hoping that you can work together to hold the line for Europe and for the rest of the world.

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