

## **Free-trade agreement between the European Union and Canada: CORPORATIONS MUST NOT MAKE THE LAW**

October 2011

We, the undersigned unions and civil society organizations, ask our political leaders to stop immediately the current negotiations for a free-trade agreement between the European Union and Canada.

This agreement, called the Comprehensive Economic and Trade Agreement (CETA), would encourage the privatization of the public sector, weaken and prevent social, health and environmental regulations, and protect even more investors' rights at the expense of democratic rights.

While the ninth negotiations session will soon be opened in order to sign the CETA by early 2012, our organizations say NO to this agreement which has been negotiated for the sole benefit of transnational corporations, at the expense of people's rights and of the protection of the environment.

**This agreement is being negotiated in the greatest secrecy, without hearing the civil society, except for business leaders**

Neither the European Union nor Canada has ever informed their population of what is really at stake in these negotiations. Requests and offers from each party have never been discussed nor revealed to the public. These negotiations are thus clearly a total denial of democracy.

**This agreement brings back to life the MAI (Multinational Agreement on Investment) and reinforces the Chapter 11 of NAFTA by broadening its reach**

The EU-Canada agreement will incorporate an international mechanism of “investment protection” directly inspired by the highly controversial Chapter 11 of the NAFTA (North American Free-trade Agreement) and the MAI (Multinational Agreement on Investment), secretly negotiated in 1998 at the OECD, and rejected thanks to public mobilization.

An investor-to-state dispute settlement in CETA would allow foreign investors to directly sue governments or local authorities in Europe, federal, provincial or municipal governments in Canada if regulations were to threaten their anticipated profits. Thus, through international private courts, a corporate could challenge and abrogate regulations democratically voted and implemented by elected governments.

Such a mechanism seriously threatens the power of elected authorities to regulate and our democratic rights, enabling transnational corporations to sue states if they consider some of their laws as a threat, whereas they have in fact been enacted to protect the public interest. It could also discourage states from taking such measures in the first place, knowing they could be sued through this dispute resolution mechanism.

**This agreement will open public markets in Canada at every level of the government**

EU negotiators are demanding a near total opening of public markets in Canada. They have asked

for a greater opening which will force numerous local authorities at the federal, provincial and municipal levels to open government procurement contracts above a given financial level to bids from European transnational corporations. Some very strict rules will thus prevent the use of public markets – that is to say taxpayers' money – as a local development tool favoring local businesses, jobs and products, or the adoption of high environmental and social standards.

This opening which again favors more private involvement and privatization of services, is all the more unacceptable that it has been negotiated in a context of a loss of expertise and democratic ethics regarding public markets, which is currently at the heart of a great crisis in Quebec.

### **This agreement encourages public services liberalization through the “negative list” approach**

Under the negative list approach adopted in the CETA negotiations, states, provinces and territories are asked to include only these sectors they wish to exclude from liberalization commitments. Under these conditions, any sector not specifically excluded is therefore recognized as a candidate for privatization. Through this process of negotiations using the “negative list”, any sector which is not mentioned on the list is therefore covered by the agreement, including those which could have been forgotten or even those which did not exist at the time of the agreement. In other words, the EU and Canada are opening the way to a totally uncontrolled liberalization and privatization of services.

Furthermore, neither the EU nor Canada plans to make this list of service sectors public. This is a totally unacceptable lack of transparency.

### **This agreement would greatly harm regulatory powers of state, provincial, municipal and local authorities**

The agreement could lead governments to self-censorship in terms of regulations in the social or environmental areas. This is because of the privileges granted to investors who could sue governments through international courts if they thought such regulations were an obstacle to trade or an obligation to get results or if they could be considered as an expropriation. Moreover, in the case of the privatization of a public service (for example water management) it would be almost impossible for local governments to roll back liberalization policies and to re-municipalize such services for the well-being of the population.

### **This agreement seeks to weaken social, environmental and health regulations**

The Canadian government considers that European standards are too complex and that the precautionary principle is a protectionist measure. Environmental and health regulations implemented by the European Union are thus in the firing line in the CETA negotiations.

Under the pressure from transnational oil extraction companies, Canadian negotiators have taken a particularly aggressive line on the tar sands issue, one of the most polluting oil extraction processes known and a heavy contributor to global warming. They want the EU to lift the current obstacles keeping oil derived from Canadian tar sands out of Europe and are strongly lobbying against the European Fuel Quality Directive (FQD), thereby paralyzing any effort against climate change. With the CETA, oil companies could exploit tar sands in Canada as much as they want and sell those highly polluting fuels without any restrictions!

The same logic applies to regulations concerning use of hormones in livestock production and the

REACH directive (strict regulation on chemical products) that Canada is explicitly trying to weaken.

Generally speaking, from now on, any environmental, health or social measure will be threatened by a possible lawsuit filed by a corporation previously established in the country. This is all the more pernicious since this agreement clearly aims at placing in competition social, environmental and health rules in competition in Canada and in European countries. The predictable result is to force standards downwards with no possible turning back. European workers' rights more protective than those of Canada, which has refused to sign numerous ILO conventions, will be the first to suffer. On the other hand, European transnational corporations will be free to make a grab for the numerous and still public services in Canada.

### **This agreement would reinforce intellectual property rights (IPR) at the expense of food sovereignty and the right to health**

The European Union is asking the Canadian government to comply with the European system which allows for a longer period of patent protection on drugs, food and other products. This would strengthen the intellectual property rights on seeds. Farmers could be prevented from storing, reusing and selling their seeds, and be placed more than ever under the dependency of agribusiness and biotechnology corporations.

This extension of intellectual property rights will also have far-reaching consequences on the right to health since such a provision will delay the marketing of generic drugs and would therefore make the cost of medicines far higher. This price increase will go hand in hand with the opening up of public markets in the health sector to European investors who are much more interested in their own financial health than in that of Canadian citizens. Moreover the measures negotiated through the NAFTA will be greatly weakened, whereas they protected the Canadian health system.

### **This agreement will jeopardize cultural diversity**

For the moment, the cultural sector has not been specifically excluded and is thus fully covered by the agreement, despite the fact that both the EU and Canada have been strong supporters of the UNESCO Convention on the Protection and Promotion of Cultural Diversity which aims at protecting the "cultural exception". This is unacceptable and there is a serious threat that cultural diversity will not long resist an overall movement to commercialize all cultural expression and succumb to the domination of powerful cultural industries.

### **Conclusion**

This agreement is a democratically and socially regressive. It gives more tools with which corporations to permanently blackmail states and local governments in Europe as well as federal, provincial and municipal governments in Canada, threatening them with the possibility of taking legal action to condemn them if they ever think of regulating commercial activities coveted by these companies. This agreement will have tremendous consequences on the environment, making it easier for the productivist and extractivist system to perpetuate itself even though everyone knows it is a failure and a threat to humankind's future.

This agreement aims at establishing a cost free-trade zone between the European Union and Canada which will force down environmental and health regulations and other social standards.

**In view of these threats, we, the undersigned unions and civil society organizations declare:**

- **that what has already been refused collectively in the past cannot be agreed upon today;**
- **that trade agreements must promote cooperation and to recognize common well-being, public interest, and human and environmental rights as more important than short-term private interests which benefit only transnational corporations;**
- **that democracy must not be compromised by such a trade agreement and that social and environmental regulations must be implemented by public, transparent and democratic decisions.**

**We therefore ask the Canadian federal and provincial representatives as well as the representatives from the European Parliament and from the different national Parliaments to refuse the CETA and to act in total transparency regarding this agreement which is selling off our social rights, threatening environmental regulations and, more generally speaking, democracy.**

### **Signatories:**

#### **Europe:**

Amis de la Terre - France  
Association Internationale des Techniciens, Experts et Chercheurs (Aitec-IPAM) - France  
Attac-France  
Balkan Agency for Sustainable Development (BASD) - Bulgaria  
Collectif citoyen Ile-de-France « Non aux gaz et pétrole de schiste » - France  
Comité pour l'Annulation de la Dette du Tiers Monde (CADTM) - France  
Confédération paysanne - France  
Convergence des Collectifs de Défense et de Développement des Services Publics - France  
Corporate Europe Observatory (CEO) - Europe  
Ecologistas en Acción - Spain  
Fédération Syndicale Unitaire (FSU) - France  
Fondation France Libertés - France  
France Amérique Latine (FAL) - France  
PowerShift - Germany  
Seattle to Brussels network (s2bnetwork) - Europe  
Résistance sociale - France  
Transnational Institute (TNI) – Netherlands  
Union Syndicale Solidaires - France  
War on Want – UK

#### **Canada (Quebec):**

Réseau québécois sur l'intégration continentale (RQIC)  
ACEF du Haut Saint-Laurent  
Alliance du personnel professionnel et technique de la santé et des services sociaux (APTS)  
AmiEs de la terre de l'Estrie  
AmiEs de la Terre de Québec (ATQ)  
Association canadienne des avocats du mouvement syndical  
Association québécoise des organismes de coopération internationale (AQOCI)

Attac-Québec  
Centre des femmes d'ici et d'ailleurs  
Centre des femmes italiennes de Montréal  
Centre de femmes l'ÉRIGE  
Carrefour de participation, ressourcement et formation  
Centrale des Syndicats démocratiques (CSD)  
Centre justice et foi / Revue *Relations*  
Centre St-Pierre  
Citizens in Action Montreal  
Collectif d'action populaire Richelieu-Yamaska  
Collectif pour un Québec sans pauvreté  
Conseil central du Montréal métropolitain (CCMM-CSN)  
Coopérative de solidarité Les Éditions Vie Économique (EVE)  
Eau Secours !  
Fédération des femmes du Québec (FFQ)  
Fédération étudiante collégiale du Québec (FECQ)  
Fédération étudiante universitaire du Québec (FEUQ)  
Fédération interprofessionnelle de la santé du Québec (FIQ)  
Femmes en Mouvement, le Centre de femmes de la MRC de Bonaventure en Gaspésie  
Front d'action populaire en réaménagement urbain (FRAPRU)  
Illusion-Emploi de l'Estrie  
Ligue des droits et libertés  
L'R des centres de femmes du Québec  
Mouvement d'éducation populaire et d'action communautaire du Québec (MÉPACQ)  
Maison des femmes des Bois-Francis  
Presse-toi à gauche  
Réseau québécois des groupes écologistes (RQGE)  
Solidarité populaire Estrie  
Solidarité populaire Richelieu-Yamaska  
Syndicat canadien de la fonction publique – Québec / SCFP-Québec  
Syndicat canadien des communications, de l'énergie et du papier / Québec (SCEP-Québec)  
Syndicat de professionnelles et professionnels du gouvernement du Québec (SPGQ)  
Table régionale des centres de femmes de Montréal métropolitain-Laval (TRCFMML)  
Table ronde des organismes volontaires d'éducation populaire de l'Estrie (TROVEPE)  
Union des consommateurs  
Union paysanne