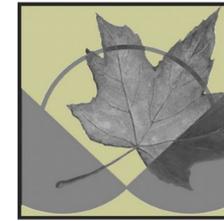


THE FREE TRADE TRAP

ANTI-DEMOCRATIC GOVERNANCE FROM **NAFTA** TO **CETA** AND BEYOND

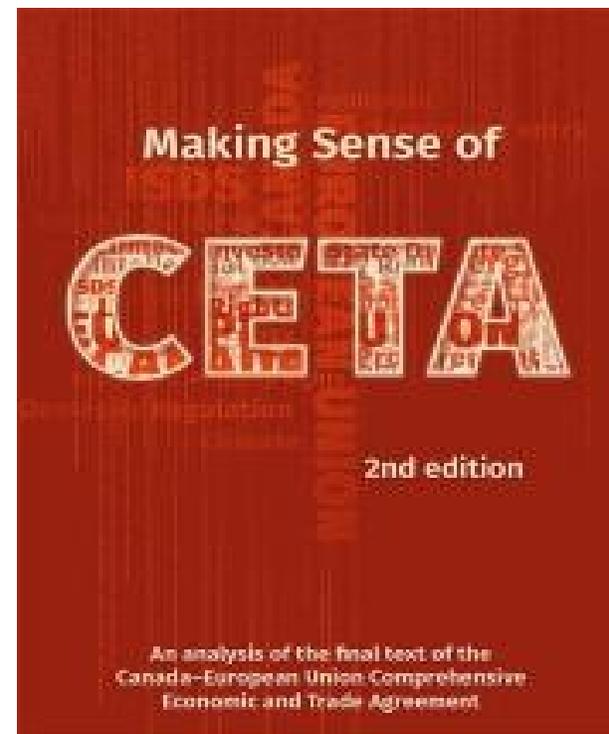
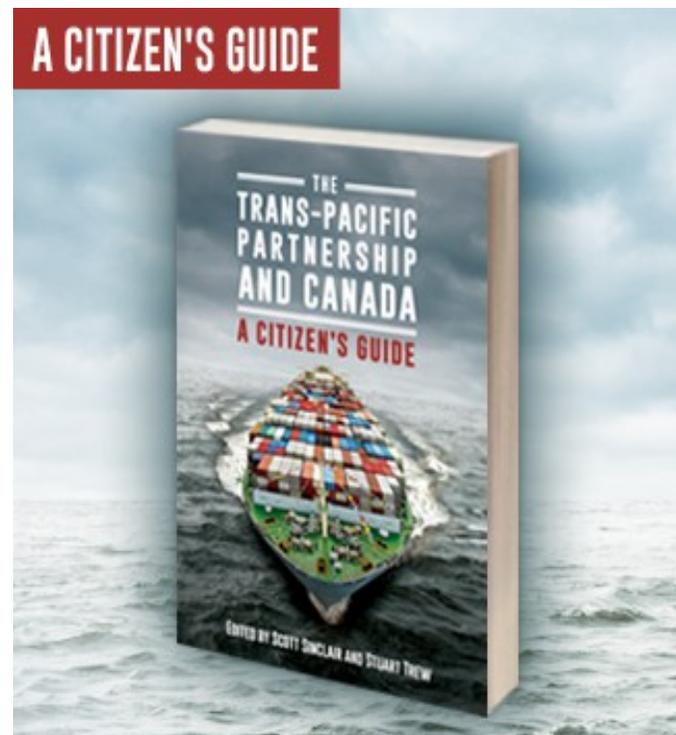
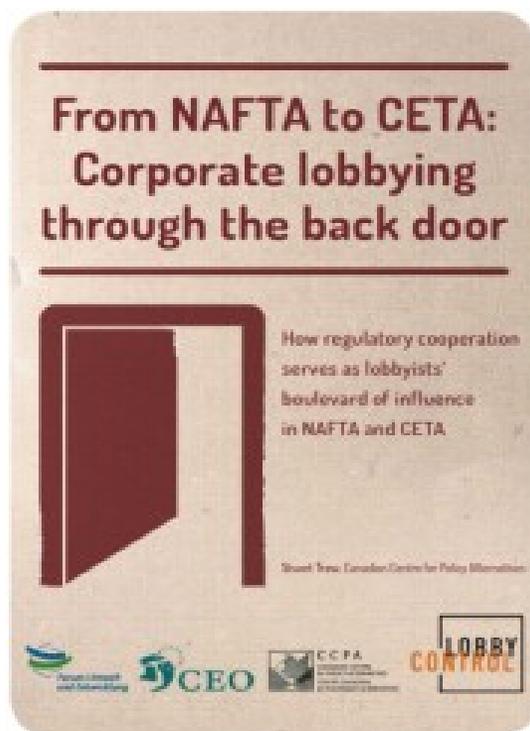


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RECENT CCPA TRADE PUBLICATIONS...



MUCH MORE THAN TRADE

- Lopsided investor rights/bias (ISDS)
- Public services challenged (Domestic Regulation)
- Excessive intellectual property rights (patents, copyright)
- Obsession with “technical barriers to trade” (COOL, GMO ban)
- Food safety standards undercut (mutual recognition)
- Public procurement restricted as local development tool (lowest bidder wins)
- Weak labour and environmental protections

ILLEGITIMATE NEGOTIATING PROCESS

- Mandate developed without public input, and in close consultation with export interests
- Closed (secret) negotiations justified by false comparisons to private sector/labour bargaining (“you don’t show everyone your hand”)
- Public services, domestic supports (e.g., for farmers) and other policies used as trading chips for very limited tariff gains and with little deference to other government priorities
- Rushed (anti-democratic) parliamentary approval process
- Little follow-up/correction in government policy (“sunset” clauses)

The result is a deal no one is quite happy with except for the largest corporations and export sectors. Why pursue such unbalanced, lopsided “trade” deals?

NEOLIBERALISM: PICK YOUR CLICHÉ



THE “GOLDEN STRAIGHTJACKET”

- A gradual tightening of the options governments have to... well, GOVERN.
- Less flexibility on economic policy.
- More power to corporate class in political and regulatory affairs.
- Primacy of private finance as a guiding force for investment.
- More “dynamism” (inequality) among society as a whole will unleash the “animal spirits” of entrepreneurs.

“The Golden Straightjacket is the defining political-economic garment of globalization.... The tighter you wear it, the more gold it produces.”

BUT DOES IT WORK?

THE DECLINING RETURNS OF NEOLIBERALISM

- Labour share of income down (farm gate prices, wages)
- CETA projections in Tufts study
- Low overall trade barriers globally and miniscule benefits even in Commission projections.
- Climate catastrophe (emissions up, biodiversity way down)
- Inequality and the rise of the far right



THEY SAY A RISING TIDE
LIFTS ALL BOATS.

DO THEY
SAY WHEN?

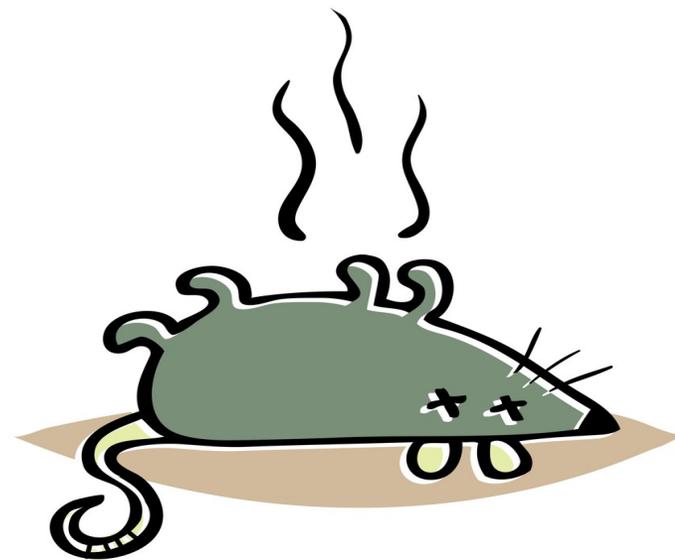
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A NEWER CLICHÉ: DEAD RATS AND POISON PILLS

“When we say ugly, we mean ugly from each perspective -- it doesn't mean ‘I've got to swallow a dead rat and you're swallowing foie gras’... It means both of us are swallowing dead rats on three or four issues to get this deal across the li

New Zealand Trade Minister Tim Groser (TPF



DEAD RAT 1: ISDS

- Canada sued more times than Mexico (most sued developed country)
- 2/3 of ISDS lawsuits target non-discriminating government measures
- Some bad losses: Bilcon, Ethyl, Exxon/Murphy
- Some bad settlements: St. Marys Cement, AbitibiBowater, Dow
- Some bad current cases: Lone Pine, TransCanada (paused)
- Evidence of regulatory chill in Ontario (Van Harten)

DEAD RAT 2: REGULATORY COOPERATION IN NAFTA

- Trade becomes primary concern when regulating
- Precautionary principle degraded
- Government favours voluntary corporate measures, adopting U.S. regulations, or otherwise taking a “light touch” whenever possible
- Regulatory autonomy constrained by cooperation super-regulators
- Industry dominated cooperation working groups
- Delays, delays, delays...

SOME MORE DEAD RATES (SWALLOWED BY CANADA)

- Increased cheese imports from EU compromises Canada's managed dairy sector.
- Increased patent protection for brand-name drugs to add \$850 million + annually to the price of medications in Canada
- Municipal governments (including school boards, hospitals and universities) bound by international procurement rules prohibiting the use of public spending for local development goals
- Expanded financial services liberalization that may compromise governments' response to next financial crisis.

LIFE FOR INDIVIDUALS IN ERA OF GLOBALIZATION

- Lose your job? Retrain.
- Lose your pension? Privately save for retirement by gambling on stocks.
- Public service fees always increasing (water, transit, education)
- Declining choice (would you like to try the GMO salmon?)
- Opaque and confusing rules for accessing welfare, refugee benefits
- Your rights violated? Sue in court.

- In short – life is UNSTABLE and PRECARIOUS.

LIFE FOR CORPORATIONS IN ERA OF GLOBALIZATION

- Zero-risk investing with ISDS.
- Race to the bottom on corporate taxes.
- Go bankrupt? The state will bail you out.
- Easy access to regulatory information affecting your business—and a chance to influence regulations at earliest stages.
- No requirement to invest profits locally (procurement + investment rules in trade deals).

- In short: Life is fairly COMFORTABLE, PROFITABLE AND RISK FREE.

TO SUM UP: THE REGRESSIVE VISION IN CETA ETC.

- Backward-looking, regressive vision, unsuited to meeting 21st century challenges (e.g., full employment, welfare enhancement),
- Would increase rampant inequality, and
- Strip governments of tools to address runaway climate change.

IN CLOSING

- Principled opposition offers the best hope to reclaim our democracies and nurture a civilized globalization.
- Europeans and Canadians should democratically determine their future, without corporatist constraints.