



Trade Tour 2009

CUPE Ontario's Trade Tour of 2009 will focus on inter-provincial trade deals—such as the Ontario-Quebec Economic Partnership Agreement (OQEPA)—though we will also use this tour as a way of building up opposition to upcoming international trade deals (such as the proposed Canada-European Union Economic Partnership, which is still under discussion, and the Security Prosperity Partnership (SPP), which has just been shut down). The plan is for CUPE Ontario to work with the Council of Canadians (CoC) to go to eight communities, hold evening events, and then leave behind coalitions of CUPE members and CoC chapter members who will, we hope, carry on the campaigns locally. The tour starts in Ottawa on October 13 in order to draw attention to the first (of five) rounds of negotiations between Canada and the European Union (EU).

The focus of our "ask:"

Trade deals—both international and inter-provincial—threaten local decision-making and reduce democratic accountability because they take away the power of locally-appointed or elected officials to make decisions that benefit communities, municipalities and the province.

The power of local governments (and other public institutions that have procurement powers such as school boards and universities) to favour local workers, producers, farmers, etc., is the main power that locally-elected politicians or locally-appointed officials have. So what trade deals ultimately threaten is local procurement.

This is why we will be focusing the "ask" on getting as many people and institutions to sign onto the "Statement on Local Procurement" that CUPE, the CLC, the CAW, Steel, all of the provincial Federations of Labour, the Polaris Institute, and the CoC have adopted. A clean and clear win on this file would be to have a number of municipalities, school boards, university governing councils, etc., adopt that policy— in fact, even forcing local governments and public institutions' boards to debate such a policy would raise the level of public knowledge on this issue.

By the time the tour comes to your community, CUPE will have background material that will link international trade deals such as North American Free Trade Agreement (NAFTA), and the Canada-EU deal with inter-provincial deals, such as Trade, Investment and Labour Mobility Agreement (TILMA) and the Ontario-Quebec partnership.

The message that you will be helping CUPE and the CoC spread is that *all* trade deals take away decision-making powers from local authorities, erode democratic accountability, and reduce our ability to direct how Canadian tax revenue is to be used.

Local procurement (especially of food and water), ethical purchasing, environmental and professional standards, labour rights, and fair-wage policies are some issues likely to be challenged immediately. Private corporations will be able to sue local governments and public institutions for millions of dollars under such trade agreements.

Together, we will identify local leaders who will try to get this Statement tabled in front of municipalities, university governing councils and school boards in every community we go to. The more individual part of the campaign may include postcards to McGuinty asking him to promise not to sign any—inter-provincial or international—trade deal that does not respect the Statement.

Using the Statement as the central "ask" makes the issue much more immediate—it's hard to get people to care about something that we can only say will "threaten" the public good; TILMA has not been in effect long enough for us to have real evidence on what its consequences may be, but we can get members out to defend the general principles of local procurement and local decision-making before they are violated by trade agreements.

As an example, here is a quote regarding the impact of Trade Deals from a Staff Report produced for the City of Toronto on a "Proposed Local and Sustainable Food Procurement Policy and Implementation Plan" (May 2008):

3i) Trade Agreements and Legal Implications

Establishing a local food procurement policy does have implications for inter-provincial trade issues and the policy could be interpreted as discriminatory in relation to the Agreement on Internal Trade, the Discriminatory Business Practices Act, and the Competition Act.

This policy is being developed and recommended for environmental and health reasons and the goal is to reduce the greenhouse gas and smog causing emissions associated with the food transportation and production processes. The policy is not being put in place to reduce competition. The potential for a challenge does exist but the City should be able, as it did with the Pesticide Bylaw, to show that it has the right to adopt a policy of this type because of the environmental and health issues of concern.

This recommendation from municipal staff is not uncommon; it echoes a legal opinion written by Steven Shrybman for the B.C. Government and Service Employees' Union (BCGEU) on how "local food procurement policies are entirely consistent with both international and domestic procurement rules." There are other examples from across Canada—this means that pushing for local procurement to be protected (especially when it comes to something like food or the use of stimulus funding) is timely.

CUPE National has signed onto the Statement because CUPE members – like most concerned civil society organizations – are opposed to the expansion of free trade deals. The CUPE National Executive Board (NEB) has also adopted a motion to that effect in June. This gives CUPE members in Ontario lots of reasons to participate in this tour. Your roles as members who are coordinating the tour on the ground is to make this an issue in your community: focus on fellow CUPE members, but also work on getting community members involved!

Statement

We believe that governments have a right and a duty to use public procurement as a tool for economic development, environmental protection and job creation. Therefore, we oppose the expansion of “free trade” deals to encompass more public procurement.

In response to “Buy American” policies, the Government of Canada has announced its desire to expand the North American Free Trade Agreement (NAFTA) to restrict provincial and municipal procurement. Such a step would abolish the rights of local and provincial governments to support local or Canadian suppliers, set minimum local content rules for materials or services on major projects, adopt ethical and environmental purchasing policies, enforce commitments to hire workers locally, or require companies winning public contracts to reinvest a portion of revenues or profits in Canadian communities.

U.S. federal, state, and local governments have successfully implemented “Buy American” procurement policies for more than 75 years. Today, in the midst of an economic recession, it is perfectly justified that U.S. taxpayer-funded stimulus funding should be used to stimulate local economic development.

Rather than attacking these successful and popular “Buy American” policies, Canadian governments should increase and speed up funding for public infrastructure projects and attach “Buy Canadian” conditions to this funding.

The opportunity exists to recognize integrated industries by negotiating managed trade agreements and sectoral arrangements with the United States. Such arrangements could provide mutual exemptions from procurement preferences for products manufactured in highly-integrated industries.

We oppose expanding NAFTA to cover all sub-national procurement and the related effort to negotiate a “free trade” deal with the European Union that would also bind sub-national governments to NAFTA-like restrictions. This approach would drain needed stimulus from the Canadian economy, worsen the current crisis in manufacturing, and interfere with provincial and municipal governments’ authority to provide and regulate local services.

In closing, we call upon provincial and local governments to reject any federal proposals that would eliminate or restrict their ability to ensure that public procurement policies maximize benefits to the local and Canadian economies.

Signed:

Canadian Union of Public Employees, Alberta Federation of Labour, the B.C. Federation of Labour, the Canadian Auto Workers, the Canadian Centre for Policy Alternatives, the Canadian Labour Congress, the Council of Canadians, the Quebec Federation of Labour, the National Union of Provincial Government Employees, the Northern Territories Federation of Labour, the New Brunswick Federation of Labour, the Saskatchewan Federation of Labour, the United Steelworkers, the Polaris Institute, and the Yukon Federation of Labour

LOCAL PURCHASING BY MUNICIPAL AND PROVINCIAL GOVERNMENTS

CUPE NATIONAL WILL:

1. Strongly oppose any proposals for a new trade agreement or other measures to limit the democratic **right** of provinces and municipalities to implement local purchasing policies; and
2. Lobby federal, provincial and municipal governments in support of “Buy Canadian” and local procurement policies; and
3. Work with the Federation of Canadian Municipalities (FCM) in support of FCM policy which says municipalities must be consulted and have some say over new trade deals which affect them; and
4. Campaign with the CLC, the CAW, the CoC and other allies in support of progressive local procurement and “Buy Canadian” policies; and
5. Work with allies in the U.S. and Europe such as the U.S. Conference of Mayors, the American Federation of State, County and Municipal Employees, and the European Trade Justice Movement to ensure the democratic rights of local and sub-national governments are maintained and enhanced.

BECAUSE:

- Local purchasing policies of municipal and provincial governments are a powerful tool for creating jobs in local communities; and
- “Buy Canadian” policies at the local and provincial level help ensure the Canadian economy grows and diversifies; and
- The Harper government and its corporate allies have been pressuring provinces and municipalities to give up their democratic right to use their purchases of goods and services to create local jobs, to support local businesses or to encourage ethical, fair trade suppliers; and
- Even though the U.S. has had “Buy America” provisions in its federal laws since 1933, there has been a huge backlash from corporate Canada and the media in response to “Buy America” provisions in the Obama government’s stimulus Bill; and
- As part of negotiations for a new Canada-European Union trade deal, European corporations and the EU have insisted on unfettered access to procurement within provincial jurisdiction; and
- There is currently nothing in NAFTA or the World Trade Organization (WTO) which limits the right of provinces and local governments to implement local procurement policies; and
- Canada’s Premiers have recently said they support a new trade agreement between Canada and the U.S. to sharply limit the right of states, municipalities and provinces to use local purchasing policies to promote local community development.