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# FAST FACTS

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## What is a CETA, and why should we be worried about it?

**T**he Canadian Government is well down the road, with the European Union, towards negotiating a Comprehensive Economic and Trade Agreement (CETA). They tell us that CETA will have everything that NAFTA has, plus more. They say that like it's a good thing. But the more one looks at this Comprehensive Economic and Trade Agreement, this CETA, the more there is to dislike.

NAFTA cost us hundreds of thousands of manufacturing jobs, plus made our regulations and our social programs vulnerable to challenges from US and Mexican companies. The proposed CETA is all of that and more, with a much larger economic bloc.

Here are just some of the reasons to be very concerned about CETA.

1) Like most such agreements, the proposed CETA is not so much about trade as it is about putting limits on the ability of governments to control the actions of large corporations. It's not really about tariffs and borders, it's about adding to the list of things that governments can't do if they interfere at all with the corporate sector's unfettered right to make a profit.

2) This proposed deal would for the first time apply directly to Provinces, and cities, and crown corporations, and school boards, and hospitals. In

particular the European Commission wants access to 'procurement' by all these levels of government. Procurement is the purchase of goods, like buses, and services. That means that Provinces, and cities, would lose their right to use taxpayers' money for the benefit of local taxpayers. The proposed CETA would prohibit governments at all levels from spending tax dollars to encourage local development. Bids would have to be open to European companies and the only consideration allowed would be the cost of the bid.

Pretty much everyone who looks at CETA comes to the same conclusion. Hydro Quebec has a Research Institute. They studied CETA and concluded that CETA would limit the ability of government agencies to use public spending to achieve social goals like economic development and regional employment.

3) Crown corporations, like provincial power companies or liquor boards, would be up for grabs. The EU has made it clear it wants access to crown corporations and for example has complained about the way provincial liquor boards display and sell their products; they claim Canadian producers are favoured, and they don't like it. But step two will be an attack on liquor sales monopolies, otherwise known as privatization – and serious commentators don't even pretend that's not on the agenda.



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## *FAST FACTS continued ...*

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4) Drug costs in Canada, already one of the biggest factors in rising health care costs because of the sweetheart deal our brand name companies get on patent protection, would rise even higher if CETA is signed.

Pharma companies are trying to expand their patent rights under the cover of CETA. They want to use the Canada-EU trade deal to gain rights that they have been unable to get from Canada's Parliament. These companies are actively encouraging the EU to demand provisions in the proposed trade agreement that will expand their patent rights and ultimately boost drug prices. If they succeed, brand name drugs, at their higher prices, will be protected even longer against cheaper generic drugs, and that will cost our public health care system and Canadians billions of dollars more. \$2.8 billion more per year, by one study.

5) The proposed agreement would include the right of individual companies in the EU to challenge decisions of our democratically elected provincial governments, city councils, and so on. We've already seen the effect of this provision under NAFTA; Canada has paid millions of dollars to companies for deciding to ban toxic waste, and for banning a gasoline additive that was a known carcinogen, and for taking back the water and timber rights of a company that walked away from its obligations in Newfoundland – all because those decisions supposedly interfered with a company's right to make a profit. Because CETA would apply to the provinces and municipalities, all their decisions would now be subject to the same kind of challenges, and they would likely bear the cost of damages.

6) The biggest private water companies in the world are in the EU. CETA would give those companies a huge club to use against cities to make them open up their water systems to privatization. The decision would be taken away from city

council and city residents, and would be made by an obscure and trade-oriented disputes panel.

7) Contrary to the completely unsubstantiated claims by the Canadian government, a CCPA study by Jim Stanford shows that a free trade deal with the EU would cost Canada between 28,000 and 150,000 jobs. Those are cautious conclusions; the actual result would likely be much worse.

8) The proposed deal would include a provision that says anything not listed as exempt from the free trade agreement would be automatically covered. That means that if a city or province makes a small error and forgets to list any of the thousands of programs they deliver, that program is covered by the deal, and EU companies will be able to bid on the delivery of the service. If a province or city wants to develop a new program, like pharmacare or home care, it will automatically be covered by the rules of free trade, and that includes compensation for any company whose right to make a profit is affected by a new social program.

CETA is a dangerous and potentially destructive new international agreement, based solely on the desires of European and Canadian companies.

But it is not a done deal. It can be stopped, and if Provincial governments, and city governments, and hospital boards, and the citizens for whom all these agencies exist, figure out just how bad a deal this is, the federal government will never be able to consummate it.

We can stop this sell-out of our right to democratically govern ourselves, we can refuse to be governed by corporations that want to profit from our every need.

We need to speak up, and we need to stand up.

*Larry Brown is the Secretary Treasurer of National Union of Public and General Employees and the National President of the CCPA*



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