

Need for A Fairer and More Transparent Trade Agreement Process

Dear Ministers,

We are writing you on behalf of the Trade Justice Network, which is comprised of environmental, civil society, student, Indigenous, cultural, farming, labour and social justice organizations that have come together to challenge free trade agreements and their impacts on social justice and the environment.

We seek to highlight the need for a more sustainable, equitable and socially just international trade regime. Our members include the Canadian Labour Congress, Unifor, Canadian Union of Public Employees, United Steelworkers, Climate Action Network Canada, Council of Canadians, National Union of Public and General Employees, Communication Workers of America (Canada), National Farmers Union and many other groups.

Accordingly, we are following the parliamentary debate on the Canada-United States-Mexico Agreement (CUSMA) with great interest. We are encouraged by the respectful, cross-partisan debate occurring in the House of Commons. We believe, as you probably do as well, that a minority parliament is an excellent opportunity to bring about common sense ideas that benefit all parties and all Canadians.

In the past, we have been dismayed by the secrecy of the Canadian trade agreement process, lacking substantial input from the public or Parliament and without any economic impact studies before or after the trade regime is instituted.

In 2015, we supported the project of then Liberal Senator Céline Hervieux-Payette that encouraged the use of the [Parliamentary Budget Officer](#) to analyze trade agreements, including the recent agreement with the European Union. Many of us participated in hearings of the Senate Foreign Affairs Committee led by Conservative Senator Raynell Andreychuk. This committee recommended an overhaul of the trade [treaty process in Canada, urging](#) greater public participation and regular review. In particular, it recommended:

That, prior to the ratification of a free trade agreement, the Government of Canada publicly report the expected economic, labour, environmental, social and other outcomes in relation to that agreement. Moreover, five years after the ratification of such an agreement, the Government should commission one or more independent evaluations to analyze the agreement's outcomes, and should table a report outlining these outcomes in both the Senate and the House of Commons. These reports should thoroughly describe the methodology used in the analysis, and clearly identify the agreement's benefits and costs for Canada

It also recommended:

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That the Government of Canada establish a formal consultation process when defining a negotiating mandate in relation to a particular free trade agreement. Consultations should continue throughout the negotiation process, provide timely updates, and be open to all relevant stakeholders, including the public. As well, consultations should lead to the identification of measures to be included in a “free trade agreement implementation strategy.”

In short, compared to other countries, Canada’s trade agreement process lacks democratic and economic scrutiny, to our detriment as a country. In many countries, negotiating objectives must be discussed and adopted by national legislative bodies, with committees conducting full studies with public involvement, legislatures having full oversight of the trade agreement during the negotiation process, and with economic analysis being part and parcel of the process. These requirements are established by law. In the United States, this is covered by the Trade Promotion Authority. In the European Union, the legislation establishing the European Commission governs how trade agreements are made.

It’s concerning that none of these steps are followed in Canada. Parliamentarians are only asked to participate in the adoption of implementing legislation. Participation of the public and stakeholders is subject to the will of the Minister.

When it comes to economic analysis, Canada doesn’t make economic impact assessments mandatory within the parliamentary process. The current review process is insufficient.

In Contrast, in Australia, the Productivity Commission is tasked with reviewing future trade agreements. In the U.S., the International Trade Commission must review the agreement. In Europe, economic analysis follows every step. Despite calls for such studies from people such as Jim Balsille, Chair of the Centre for International Governance Innovation and founder of Blackberry, they are rarely done. We are making economic decisions that have considerable impacts on workers and communities based on blind faith and not on a cold analysis of how they may affect our markets. This is why many of Canada’s trade agreements have not produced the export growth they promised. Some, such as Canada’s agreements with South Korea and the European Union, were followed by reduced exports.

The CUSMA implementing legislation debate represents an opportunity for opposition parties and the Government to modernize this and ensure greater accountability for the benefit of all Canadians We should use this debate to agree on how future trade agreements are conducted.

We demand that implementing legislation include the following principles:

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- Building on experiences in the EU and the US which regularly revise their negotiating objectives, negotiating objectives should be clear and should be adopted by Parliament and released to the public.
- First Nations and other Indigenous peoples should be consulted as self-governing nations.
- Consultation with the public must be mandated at many stages of the negotiations.
- Parliament, provinces and municipalities must be consulted in the negotiating process.
- Parliament must mandate independent economic reviews of any deal before implementing legislation is presented to Parliament.
- Parliament must mandate regular reviews of trade agreements during its implementation process to ensure they are still meeting their stated objectives. At the moment, the government does not quantify the effects of agreements over time.

We encourage you to use this opportunity to make trade better for Canada. It is our view that a democratic, inclusive and robust process is in the best interests of all Canadians, regardless of political stripe

We are open to discussing our ideas at committee hearings and to having more dialogue with you.

Please do not hesitate to contact us for further information.



Angella MacEwen, Co-Chair

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