

# IT'S TIME FOR SOME TRADE SOUL-SEARCHING

**A year ago, United States Trade Representative Robert Zoellick called on his colleagues to put aside their differences on the trade agenda. He was afraid that 2004 would become a “lost year.” From our perspective, of course, a year with little progress in the neo-liberal trade agenda is a very positive sign, but it doesn't mean that 2005 will automatically fall prey to the same inertia.**

## WORLD TRADE ORGANIZATION

The key moment will arrive in less than six months, in December 2005 in Hong Kong. The WTO ministers will meet to either propel the current round of negotiations toward a successful conclusion or to confirm that the contradictions of the WTO are too great to be overcome. So far, the “Doha Development Round” has had more to do with corporate-friendly rules than with promoting real development issues. If the rich countries – yes, this includes Canada – keep pushing their big business agenda on the poor, the Hong Kong ministerial will collapse like the last one in Cancun did.

Secretive “mini-ministerials” – exclusive negotiation forums for invited members only – are sure to multiply in 2005 to ensure that reluctant arms are twisted, stubborn souls are cajoled, and outright opponents are properly threatened. Developing countries like Rwanda and India have expressed concern over these trade summits, saying that they sacrifice “transparency” and “inclusiveness.”

Three themes are at the centre of the negotiations. First, a deadline for new offers on services (General Agreement on Trade in Services) was set for May 25. Once again, public services are to face liberalization and privatization pressures. Second, a draft document on industrial tariffs (non-agricultural market access) will be available in July. The proposed formula to reduce tariffs will be hotly debated because it places more pressure on developing countries than on richer countries. Poorer nations feel that their industrial base will simply disappear if they have to face competition from economic



**Eduardo Sousa (Ontario & Quebec Regional Organizer) with Marcela Olivera at the World Social Forum in Porto Alegre, Brazil.**

powerhouses without any protection. Finally, agriculture is sure to be at the heart of negotiations once again. It will be interesting to see if, at last, the U.S. and the European Union are willing to eliminate their huge subsidies to agribusiness. These handouts allow the EU and the U.S. to overproduce and “dump” their excess production on the world markets, a practice that has ruined small family farms all over the world.

## FTAA AND NAFTA

There was so little activity on the Free Trade Area of the Americas (FTAA) in 2004 that some analysts began to wonder if the beast was alive or dead. American and Brazilian officials met a number of times to re-start negotiations but no progress was made and the January 2005 deadline has come and gone. But before we start celebrating, let's keep in mind that

a successful WTO outcome could spark new FTAA negotiations.

Meanwhile, our very own free trade deal with the United States and Mexico, NAFTA, will be interesting to watch this year. Our government has told us repeatedly that NAFTA is working fine and should be celebrated, but cracks are starting to appear in this veneer of success.

On January 24, the Council of Canadians and the Canadian Union of Postal Workers (CUPW) asked Ontario's Superior Court of Justice to rule that NAFTA's investment rules are unconstitutional. This is the first time a court has considered the constitutionality of international trade rules that allow foreign corporations to sue governments. The court challenge was launched in 2001 in response to a NAFTA complaint by United Parcel Service (UPS) against Canada Post.

According to Council Chair Maude Barlow, “UPS claims that simply by having a public postal system, Canada is allowing unfair competition. By this logic, every public service from health care to education to the CBC could face similar lawsuits. We don't intend to let foreign corporations destroy our public services.” The Ontario Superior Court will rule on this legal challenge to Chapter 11 shortly. The judge will decide whether our Constitution is violated when foreign corporations are allowed to use secretive NAFTA tribunals to challenge our public interest laws.

**Jean-Yves Lefort is the Trade Campaigner for The Council of Canadians.**