

TILMA'S FAULTY PREMISE

HOW A MYTH ABOUT TRADE BARRIERS BECAME A NATIONAL NEUROSIS

By Stuart Trew

Bad news travels fast. We can say the same about bad policy. It has been two and a half years since Alberta and British Columbia signed the Trade, Investment and Labour Mobility Agreement (TILMA), ushering in a new order of sorts in western Canada, where corporate priorities don't just outweigh all other community concerns – they are legally superior to them.

TILMA was signed on the faulty premise that there were considerable barriers to trade and investment, and the movement of labour, between Alberta and British Columbia.

It didn't matter to the premiers in Alberta and B.C. that Canadians could already, by and large, work wherever they pleased, that agreements were already in place to ensure free labour mobility across all provinces.

It didn't matter because by April 2006 it was too late. TILMA was a done deal before a single question or concern could be raised by the municipalities, hospitals, school boards and others who will be impacted by the agreement's unheard conditions on democratic governance.

As expected (and as planned), TILMA sparked a frantic debate within and among provincial governments across the country, now under new pressure from emboldened business lobbyists to get serious about so-called "inter-provincial trade barriers." Why can't there be free trade within Canada as there is between Canada and other countries, they asked.



Chapter activists from Golden, British Columbia got out to the provincial border between B.C. and Alberta this spring to show there really are no barriers to inter-provincial trade.

The media didn't probe much further, and merely borrowed this handy soundbite when developing editorials and op-eds about TILMA.

Nonetheless, the empty talk infected Canada's other premiers. "Should we sign TILMA too?" they asked. The governments that studied the agreement and debated its merits openly and democratically – Saskatchewan and Yukon – said "No Way!," deciding not to restrict themselves for the sake of a non-existent or highly exaggerated "problem."

Others started working on similar agreements with their neighbours, such as Ontario and Quebec, who are currently negotiating an inter-provincial Economic Partnership Agreement, partially modelled on TILMA. A summary of the framework for negotiations shows that premiers McGuinty and Charest are considering regulatory harmonization, as well as a dispute resolution process that, like TILMA, would bind each government, and possibly their municipalities, to unelected trade panel decisions.

Still others, including Manitoba, thought that it made more sense to "strengthen" the existing Agreement on Internal Trade (AIT) by including financial penalties. These penalties could run as high as \$5 million and would be paid out to corporations when government policies are deemed to be barriers to trade, investment or labour mobility.

WHAT'S NEXT?

Enormously successful municipal pressure in western Canada resulted in a strong position by the Union of British Columbia Municipalities (UBCM) against several of TILMA's more egregious parts: regulatory harmonization, limits on local procurement, a ban on business subsidies or focused development plans, and the fact that municipal governments will not have the right to defend their own policies in front of dispute tribunals.

After several months of negotiations with the UBCM and its counterpart, the Alberta Urban Municipalities Association, the B.C. and Alberta governments recently announced only three minor concessions, including moderately higher thresholds on when TILMA's rules will affect procurement, an exemption for land-use bylaws as long as they treat companies from both provinces equally, and a promise to consider "options for the reconciliation of business licencing requirements

The Council of Canadians continues to work with municipal governments across the country, particularly in Ontario, where already 11 city councils have passed resolutions either questioning or rejecting outright a new trade deal with Quebec. What is needed is full disclosure of the terms of the agreement, and a chance to discuss and debate its merits on equal grounds with the powerful business interest groups pushing our premiers along a clearly redundant and dangerous path.

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