



March 16, 2010

John Gero
Ambassador and Permanent Representative to the World Trade Organization (WTO)
5 Avenue de l'Ariana
1202 Geneva
Switzerland

Sent via email: genev@international.gc.ca

Dear Ambassador Gero,

I'm writing on behalf of the Council of Canadians to urge your office and Canadian trade negotiators at the WTO to lend their support to those countries demanding an analysis of the connection between existing WTO financial services rules and the international financial crisis, as well as a freeze on additional financial deregulation talks within the Doha Round. As newly appointed chair of the General Council, your support would offer an important vote of confidence to an overdue examination of the effects of the FSA and other Doha service sector proposals on government regulation.

While countries around the world are reeling from the recent financial crisis, the WTO continues to promote a pre-crisis agenda, particularly on financial services, ignoring that one of the main causes of this crisis was overreaching financial deregulation. Canada's unique banking regulations may have cushioned the impact here at home, but current Doha Round proposals would undermine even these Canadian policies and any future attempts to re-regulate the financial services sector.

Despite a lack of progress on many Doha areas, proposals for further financial deregulation move forward. The Working Party on Domestic Regulations (WPDR), for example, continues to debate a proposal that would require our country and others to limit domestic regulation, including regulation of the financial service sector. Under the current draft text, licensing requirements would have to be "pre-established" and regulations would need to be based on "objective" criteria (with "competence and ability to supply the service" given as examples of what objective means). Meanwhile, some countries are seeking even more expansive WTO constraints on domestic regulation of the service sector. Ill-defined limitations like these would be ultimately interpreted by a WTO tribunal and could have disastrous effects on financial regulation.

The Council of Canadians respectfully urges you to take leadership in Geneva by calling for an end of the WPDR process and for the jettisoning of its draft disciplines on service sector domestic regulations. There is simply no excuse for having a WTO negotiating group whose only remit is to

limit domestic regulation in service sectors, at the very time WTO members are committed to re-regulating.

Further, please lend Canada's support to India, Ecuador, and Argentina's calls for the WTO Secretariat to review the links between the WTO financial service rules and the global financial crisis. Currently the demand is for a review of countries' post-crisis bailout and stimulus measures. Please ask that this review also include an analysis of how financial services commitments under the General Agreement on Trade in Services and the "Understanding on Financial Services" could affect future financial service regulation in our country and elsewhere.

Thank you for your time and assistance. People around the world, notably the unemployed, are relying on their governments to take a leadership role by ensuring that WTO processes and rules are altered to reflect the post-crisis global commitment to restoring financial stability. There is no place for existing or future Doha Round WTO rules that would continue to promote and lock in financial deregulation.

I look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart Trew", is centered on a light yellow rectangular background.

Stuart Trew
Trade Campaigner
The Council of Canadians

CC: The Honourable Peter Van Loan, International Trade Minister
Scott Brison, Trade Critic, Liberal Party of Canada
Peter Julian, Trade Critic, NDP
Jean-Yves Laforest, Trade Critic, Bloc Quebecois