

*Article for Brandon Sun "Small World" Column, Sunday, July 15/07*

## **Good for Business, Bad for People**

Business is in favour of it. Unions are dead set against it. While those phrases describe many situations, the current one on the front burner is TILMA, the Trade, Investment and Labour Mobility Agreement. This pact led to recent labour demonstrations in BC as the governments of Alberta and British Columbia signed a TILMA together in April of this year, with little legislative debate or public consultation.

What the unions are speaking out against is their belief that TILMA allows corporations and individuals to sue provincial or municipal governments for any measure that they feel would restrict their investments. Thus, health, education and environmental authorities might find themselves compensating private firms, including foreign ones, for loss of profits up to \$5 million per suit. This amounts to deregulation in areas where Canada has done business differently from the US, but now would have to answer to American capital if they feel we are infringing on their commercial rights.

On the other side of the argument, and harkening back to my most recent "Small World" column on the globalization of beer, the Research Director of the Atlantic Institute for Market Studies in New Brunswick, fearing that his region will be left behind by the economic power of free trade zones in Canada, recently wrote that our summer-time tall cool one would cost us less if we would just "make mine a TILMA"! Ian Munro believes that TILMA will make BC and Alberta rival Ontario's huge economy by eliminating trade barriers, and that the Atlantic provinces must act accordingly.

But labour says that with TILMA, government subsidies, procurement policies and funding arrangements, says labour, would be superceded by the will of business. Municipal development plans will face a strengthened commercial voice – Do it our way or we will sue you to compensate our losses. Poorly trained out-of-province workers will be able to take the jobs of those with certification in a particular jurisdiction. Environmental regulations that are stricter in one province may be superceded by weaker regulations from a TILMA partner.

All of this is, in part, what happens when jurisdictions join together. Ways must be found to harmonize processes and regulations and there will be winners and losers. What labour argues is that government will lose every time in the TILMA process, and the interests of private enterprise will have the upper hand. As well, with the growing strength of US business in Canada, TILMA will just exacerbate that process.

A recent op-ed piece in the Saskatoon Star Phoenix urged that province to also hop on board the TILMA express. Saskatchewan has recently had a strong economy (3.3 per cent growth in 2007) due to resource development, and Canada's prosperity is more than ever driven by the West. The article speaks positively of greater labour mobility and reduced barriers to trade. It also extols an end to government subsidy to local business and public sector procurement. This may have been a politically touchy point in the past

as our leaders have wanted to be seen as taking care of their own, but today's bottom line argument in the article is that TILMA will save taxpayers money.

In the end, says the author from the Canada West Foundation, our environment, education and health systems will not be compromised. After all, says Brett Gartner, the original Free Trade Agreements weren't so bad, were they? Saskatchewan Premier Lorne Calvert has commissioned a study on TILMA and its prospects for his province.

Another recent editorial, in the Montreal Gazette, written by the Montreal Economic Institute, promoted a TILMA being established between Ontario and Quebec, citing that the two economies are already closely linked. A long-standing dispute between the two provinces over Quebec construction companies' access to the Ontario market is being sorted out and, if resolved, may lead to further official harmonization. The article supports the notion that private business deserves greater access to provincial markets and that governments have been too restrictive and bureaucratic.

Sweeping changes may be in store for Canadians without an opportunity given for their full participation in the decision-making process. While a rosy picture may be painted of vibrant economies and cheaper beer, local small business, farmers, environmentalists, labour and others fear for a future dominated by corporate rights and reach, job loss and elected but ineffectual government.

Growing US economic ownership in Canada, the dismantling of the Canadian Wheat Board, our sell-off of clean Canadian water, and McJobs for everyone is not a desirable conclusion to current negotiations. TILMA should be an election issue and a topic for debate at the provincial and federal levels rather than being accepted as another inevitable step on the road to economic progress.

The globalization process, which has left many, many people around the world worse off than before, should benefit everyone, not just the few.

*Zack Gross is program co-ordinator at the Manitoba Council for International Co-operation (MCIC), a coalition of 35 international development organizations active in our province.*