

Canada's cities (well, some of them) against Europe trade deal

by [Paul Wells](#) on Wednesday, January 25, 2012 6:51pm - [10 Comments](#)

A group called the Quebec Network on Continental Integration has [posted the latest documents from the negotiations](#) toward a Comprehensive Enhanced Trade Agreement (CETA) between Canada and the European Union. This led to a Presse Canadienne story tonight (in French) [pointing out](#) what was already pretty obvious, but still intriguing: that if a deal goes ahead, it will require provincial governments and municipalities, which are provincial creatures, to open bidding for government contracts to European firms.

So if you're the Corporation of the Town of Hypothetical and you want to but out a contract for stationery supplies, or rapid transit, or whatever, you must permit European firms to compete on an equal footing with local contractors of long standing. The ones that employ your electors. The ones that may have donated to your campaign.

Which is how a [19-foot Trojan Horse came to be parked outside Toronto City Hall](#) on Monday, courtesy of Ward 38 Councillor Glenn de Baermaeker, apparently an aficionado of props. De Baermaeker's resolution, which would propose that Toronto be exempted from the contracting and services provisions of CETA, apparently hasn't got very far. It's a different story in other municipalities. The Council of Canadians, a prime mover (surprise!) behind the anti-CETA campaign in municipalities, [has a map showing 20-odd municipalities](#) that have passed or at least considered such resolutions. The list includes Lunenburg, NS, London and Windsor, ON and — this one's gotta hurt — Brian Mulroney's hometown of Baie-Comeau, QC.

My best information, as of a month ago, was that Canadian and European negotiators were [moving toward a real, substantive agreement](#). I admit to some surprise. The opponents of this deal have been more vocal than its supporters. The whole process is coming down to short strokes. A deal before June is said to be likely.

UPDATE: My colleague, PostMedia reporter Peter O'Neil, pointed

out to me that a deal will probably include thresholds below which the procurement provisions of CETA won't kick in. [This letter](#) (.pdf) from trade minister Ed Fast to the Federation of Canadian Municipalities puts the likely threshold at \$340,600 for goods and services, and \$8.5 million for construction.

That's a loophole bigger than your head.

It's a loophole so big that Lunenburg, which has passed a Council of Canadians resolution rejecting CETA, could still have [paid \\$6.8 million to Mid Valley Construction](#), up the road in Kingston, NS, for a new water-treatment plant, without ever paying Spanish or Czech construction companies the courtesy of a howdy-do.

Those of us who think more trade with Europe is a *good* idea look at details like an \$8.5 million exemption and want to cry. (Fun exercise: how do you award \$25 million worth of business to the local firm? That's right! You split it into three contracts, each under \$8.5 million.) But the manufacturers (locally contracted, one presumes) of photo-op Trojan horses should be able to take some solace from this news.