



January 10, 2018
City of Toronto
Government Management Committee
100 Queen Street West
Toronto, ON
M5H 2N2

Re: GM 23.7 The Feasibility of Developing a Canadian Content Policy for Toronto's Procurements in Compliance with Existing Trade Agreements

Dear Members of the Government Management Committee,

The Council of Canadians is opposed to the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). The agreement was provisionally implemented on September 21, 2017 with the exception of its 'investment protection' chapter which still faces a long and uncertain ratification process.

Our opposition to the deal is in part driven by our support for local procurement as a significant tool for municipal governments to promote local economic development and job creation. The Globe and Mail has reported, "Unlike NAFTA, CETA covers 'sub-national procurement', the public contracts of Canadian provinces and cities, so European companies can bid on hydro or subway deals..."

In November 2013 we commissioned an [Envirosearch poll](#)ⁱ that found a broad majority of Canadians (77 per cent) from across the political spectrum oppose the provisions in CETA that would ban municipal 'buy local' policies. Even among people who strongly supported 'free trade' with Europe, 63 per cent said local governments should continue to have the right to prefer Canadian or local bids on public contracts.

Toronto City Council voted on March 5, 2012 for a permanent exemption from the Canada-EU free trade deal.

The '**Request to protect City of Toronto interests and existing powers in any trade agreement signed between the Government of Canada and the European Union**' stated that:

1- City Council request the Province of Ontario issue a clear, permanent exemption of the City of Toronto from the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) and that it otherwise protect the powers of municipalities, hospitals, school boards, utilities, universities and other sub-federal agencies to use public procurement, services and investment as tools to create local jobs and otherwise support local economic development.

2- City Council request the Federal Government to protect the powers of the City – to create local jobs, protect the environment, and provide services and programs as it sees fit – from any restrictions to those powers in the CETA.

We supported that motion passed by Toronto City Council, but the federal government ignored it when it signed CETA on October 30, 2016.

To be fully implemented, CETA must still be ratified in the 28 national and 10 regional parliaments in Europe. This process is likely to take several years and its outcome is not certain given governmental and public opposition to its 'investment protection' provisions. It is possible that if the investment provision is not approved by all parliaments, the whole deal could collapse.

In October 2016, The Globe and Mail reported, "[It has] emerged [that CETA] could be scrapped at any time before final ratification. [That's because] the EU and Belgium have now agreed that any one of Belgium's regions can scrap CETA at any time before the final ratification vote if MPs don't believe CETA is working. That would effectively kill the treaty because it would mean Belgium couldn't ratify it." Opposition to CETA is also strong in numerous other European countries, most notably Germany and France (the EU's largest and second largest economies).

The Council of Canadians urges the Government Management Committee to recommend a policy which favours local and Canadian content in bids for public contracts.

Founded in 1985, the Council of Canadians is Canada's leading social action organization, mobilizing a network of volunteer chapters in Toronto and 54 other communities across the country. Through our campaigns we advocate for fair trade, clean water, green energy, public health care, and a vibrant democracy. We educate The Council of Canadians is a registered non-profit organization and does not accept money from corporations or governments.

Sincerely,

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ⁱ <https://canadians.org/media/majority-canadians-oppose-buy-local-ban-canada-eu-trade-deal-poll>