

To:
Ms. Linda Barnes
Municipal City Councillor
City of Richmond

*Individual copies provided by
writers to all members of
Council.*

From:
Stan Robertshaw
Council of Canadians
Richmond Chapter

and

Orval Chapman
Richmond Ten Days
for Global Justice Committee

*Delegation Request - Council meeting
of May 23rd 100.*

Dear Councillor Barnes,

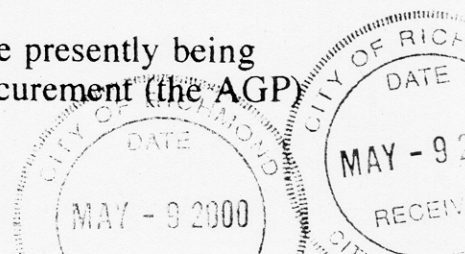
For most Canadians the World Trade Organization remains an obscure institution shrouded in the mystique of international economic diplomacy. Yet since its creation in the Uruguay Round of negotiations of the General Agreement on Tariffs and Trade in 1995 the WTO has emerged as an enormous impediment to the goals of environmental protection, resource conservation, food safety and many other non-commercial societal goals. European and Japanese food safety measures, US clean air regulations and marine mammal conservation laws, aid and development treaties between Europe and impoverished former colonies, and Canadian cultural programmes are only a few examples of the massive power of the WTO to destroy domestic legislation, policies and programmes created by governments of nation states.

The WTO itself has identified many areas under the jurisdiction of municipal government such as zoning of land, building permits, municipal licensing, building safety codes and fire regulations and operating hours of retail businesses, to name just a few, that have the potential to be "barriers to trade". Local government regulations could be challenged and struck down at the World Trade Organization even if they only "incidentally" (in the WTO's own terminology) negatively affect trade. Less than a year ago a senior economist with the WTO Services Division, Rolf Adlung, delivered a paper on trade in services in which he stated that commitments made by federal governments through agreements at the WTO can "be considered an instrument of federal policy surveillance and enforcement over sub-national entities" (meaning municipal and provincial governments).

The greatest level of democratic accountability and control is at the municipal and provincial levels. The public is better able to interact with local government to ensure that their needs are better served and more immediately responded to than at the federal level which in many cases is hundreds and even thousands of miles away. One of the fundamental purposes of the agreements of the WTO is to "move" power, democratic power, away from the local level and concentrate it into the hands of the very powerful at the international level where a level of democracy does not exist that enables ordinary citizens or even elected members of sub-national governments to exercise any effective level of control or accountability.

Two existing agreements of the WTO in particular that are presently being reviewed and negotiated are the Agreement on Government Procurement (the AGP)

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and the General Agreement on Trade in Services (the GATS) that have the potential to restrict the power and decision making ability of municipal councils. Initially when the AGP was created at the WTO conformity to it by sub-national governments was on a volunteer basis, the federal government is taking that option away from sub-national governments through the current review of the agreement. It is negotiating to stop municipal governments from giving preferences to local contractors or local businesses. Even if a local government does not give preference to local businesses it none the less could be found in violation because its interpretation of the agreement is different from a WTO international arbitration panel set up to decide whether a violation has occurred. The local government is not permitted to represent itself at such a hearing, only the federal government is permitted to be represented. Municipal governments would be forced to retain legal representation in the area of international agreements in order to be confident whether its procurement practices and procedures were not in violation of the conditions of the AGP and other agreements at the WTO.

Yet another aspect of the AGP would be that municipal governments would be required to publish all notices of proposed procurement along with its procurement procedures and practices and report and explain their decisions to WTO headquarters in Geneva, Switzerland. By its actions to initiate these agreements at the WTO the federal government is exposing decisions made by municipal councils to come under the scrutiny and control of an international organization that wields enormous power that is unconcerned about the well being of the constituents of those municipal councils. This process places even more of a financial burden on a municipality to cover the cost of legal representation in the arena of international agreements and trade. When belt tightening and cost saving is called for by a municipality this legal representation would be one of the first items dropped and the municipality would instead simply take direction entirely from Geneva. The very principle of representative and responsive local government would be grossly diminished.

The General Agreement on Trade and Services (GATS) sets rules for trade and investment in all services such as construction, retail, sewer and water, recreation and culture, architecture and engineering, advertising and many other sectors that fall either partly or wholly under local government jurisdiction. WTO officials have described this agreement as having "an extremely wide scope of application". WTO staff have identified specific areas to be dealt with through negotiation to conform to the rules of the WTO agreements, areas such as municipal controls on land uses and zoning, urban planning, building regulations and technical requirements, building permits and inspection, registrations and licensing, environmental regulations, municipal restrictions on large-scale retail outlets such as operating hours and what products it can and can not sell, planning laws that affect retail malls, urban planning restrictions on locations of waste disposal sites.

The GATS agreement also covers subsidies, so in areas where sub-national governments seek performance requirements such as local residency, ownership or management of a service as a condition of receiving a contract, grant or subsidy the local government could not make such stipulations. Very onerous indeed in this area is the prospect that national treatment rules of these agreements apply to a municipality, meaning that any support given to local service providers by the City of Richmond

could be challenged by a foreign based service provider merely because the local service providers are local. A private foreign based service provider could challenge these local providers in order to completely privatize that service. Services such as CHIMO, Richmond Womens Resource Centre, Richmond Family Place and other volunteer organizations that provide services could see their funding in jeopardy because the City of Richmond would have to create a level playing field for private providers of the same type of service and the volunteer organization. It would be compelled to provide the same level of funding from municipal coffers to the private for profit provider as it gives to the volunteer organization providing the same type of service.

In light of the concerns that we have briefly outlined above the Council of Canadians Richmond Chapter and the Ten Days for Global Justice Committee of Richmond would like to appear at the meeting of Richmond City Council on Tuesday May 23 to ask council members to consider passing the following resolutions regarding the World Trade Organization:

Whereas the federal government is reviewing and arcanelly negotiating through the World Trade Organization to sign a General Agreement on Trade in Services and an Agreement on Government Procurement; and

Whereas these agreements have the potential to limit the ability and autonomy of municipal and provincial governments to develop and implement social and economic policies, programmes and legislation; and

Whereas municipal and provincial governments would be bound by the terms of any new WTO agreement covering services and government procurement, yet neither they nor their constituents have been party to the negotiations; and

Whereas the World Trade Organization is undemocratic, non-transparent and unaccountable and is moving to restrict the abilities and rights of municipal and provincial governments to govern;

Therefore be it resolved:

- (1) That the City of Richmond request that the federal government confine the application of future international agreements and treaties it negotiates at the World Trade Organization to federal jurisdiction thereby having no application to provincial jurisdiction, including municipal government matters; and*
- (2) That the City of Richmond endorse the position of the Federation of Canadian Municipalities and immediately request that the federal government refuse to participate in any World Trade Organization negotiations that include public health care, education, social services, and government procurement; and*
- (3) That the City of Richmond forward its concerns regarding the potential impact on its decision making ability of these WTO agreements to the Government of British Columbia requesting that the Government of BC assess the potential implications of the General Agreement on Trade in Services and the Government Agreement on Procurement and other agreements of the WTO that could affect the ability of municipalities to make decisions on behalf of their constituents; and*
- (4) That the City of Richmond urge the Government of Canada to consult widely and in depth with the people of Canada, especially and including the soliciting of detailed responses from municipal councils, before taking further action on the General Agreement on Trade in Services and Agreement on Government Procurement at the WTO; and*

- (5) *That a copy of this motion be circulated to the Members of Parliament representing the City of Richmond with the request that they endorse the City's action and that their responses as to whether or not they endorse Council's action be:*
- (i) *forwarded to the Federation of Canadian Municipalities' annual meeting; and*
 - (ii) *be made available to the public.*

Yours truly,

Stan Robert Shaw
Oswal Chapman