

Could CETA go the same way as TTIP?

Opposition to TTIP was not just confined to leave supporters in the UK. A petition of three million signatures from across the EU, all urging the EU not to continue with the controversial EU-US trade agreement, was handed in to Cecilia Malmström, the EU's Trade Commissioner who contemptuously replied, "I do not take my mandate from the European people."

Since the referendum, TTIP negotiations have spluttered to a halt, leaving President Obama distinctly disappointed as he had hoped to see the agreement signed before leaving office. Some commentators do not think it will ever be signed off – and it could not be the only trade deal to bite the dust.

Opposition from Wallonia, the French-speaking area of Belgium, could kill off CETA, the proposed EU- Canada trade deal as well. The other 27 member states (including the UK) were happy to sign the deal and the Canadians had been preparing to come to Europe for a signing ceremony this week, but without Walloon approval, the federal Belgian Government cannot sign and no deal is on the table.

Although not generating the same opposition as TTIP, there have been similar objections to the deal with Canada. While the most widely-cited argument in the media for Walloon opposition – a desire to protect the region's agricultural sector – sounds like old-fashion protectionism, there are other concerns which are far more serious.

For most people, free trade is seen as a good thing. We in the UK have usually been keen on reducing tariff barriers since the days of Adam Smith's *Wealth of Nations* in the late 18th century. However, the CETA deal, like TTIP, is more than just a simple trade deal. It would set up special courts which

allow investors and companies to sue national governments. Canada is already the most sued nation under the NAFTA deal covering North America, which has similar courts. CETA would result in all participating nations being at the mercy of big businesses. In other words, you and I, ordinary taxpayers, could find ourselves shelling out millions to be handed over to multinationals if they take our government to court if they feel that, for instance, environmental legislation has affected their profits.

Such a situation is a million miles from Adam Smith's very reasonable defence of free trade. As one critic puts it, the signing of CETA would result in *"punitive legal fees for national governments and billions of euros in damages drained from public coffers. That's not to mention the inevitable rise in regulatory chill, as governments refrain from passing regulatory measures in the public interest due to the threat of being sued by private foreign investors. Once such a system is in place, each and every investment that foreign corporations make in a member country will effectively be backstopped by that government (and by extension, its citizens and taxpayers); it will be too-big-to-fail writ on an unimaginable scale."*

And what is frightening, national leaders, no doubt heavily lobbied by big business, seem happy to endorse such deals, even though in so doing, they are surrendering their own power and not acting in the interests of those who vote them to office. The UK's Trade minister Liam Fox has supported CETA, which has won him few friends, especially as he has not allowed Parliament to debate it until after it is signed.

Deals like CETA and TTIP are not capitalism but crony-capitalism. It reduces the free market to the shambolic system which prevailed in the break-up of the Soviet empire where big business and government were joined at the hip resulting in huge fortunes for the favoured few and ordinary voters had very little power.

Australia was seeking a substantial free trade deal with the EU, but after the problems with CETA, they seem to be looking for a more modest deal, especially after the statement by the EU Council President Donald Tusk that the Canada deal (if it is ever signed) could be the EU's last.

These developments have inevitably been spun by both the EU and remainiacs in this country to highlight the difficulty of the UK securing a bespoke trade deal with the EU. However, it is vital not to confuse the wood from the trees. Any bespoke trade deal would indeed take a number of years to negotiate, but there is no reason for it to involve any mechanism allowing governments to be sued by the big multinationals.

Furthermore, the mechanics of international trade is changing. Mr Tusk may well be right about no similar deal being in the offing after CETA. Rather than large-scale free trade agreements, countries are moving towards more limited agreements covering specific areas. While it is true that there is no EU-China free trade deal, China does have 65 such deals with the EU. Such arrangements take far less time to negotiate than a full free trade agreement.

So, in conclusion, while the UK does need to ensure that trade continues to flow smoothly with the EU upon withdrawal, we should not be worried about the intransigence of the Walloons. It will, in fact, be a blessing if CETA fails. If the government chooses to rejoin EFTA, that organisation has already signed a deal with Canada containing far fewer areas of concern. EFTA deals do not have big business pulling the strings to anything like the same degree.

CETA (and, by implication, TTIP) has been described by the European Commission as "A free trade deal fit for the 21st Century", and "the most advanced of its kind." It is nothing of the sort. It is nothing more than an agreement by elected governments to hand power to big business – the same sort of people who so enthusiastically supported the remain cause in

the recent referendum. The leave vote was a vote against these organisations and it is vital that a newly-independent UK implements a trade policy which will benefit ordinary people rather than putting more power into the hands of people who use it so shamelessly for their own ends – a trade policy worthy of a nation which was among the pioneers of free trade.

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