

APPENDIX B

Discussion Paper

International Trade Agreements and The Role of Canadian Parliamentarians

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The purpose of this report is to further discussions on the role of Parliamentarians in the ongoing world trade debate. The first section deals with issues first raised with the establishment of the World Trade Organization (WTO) in 1995. To better understand the climate of the current debate about the WTO, the debate will be examined in the context of other trade agreements and institutions such as NAFTA. The final sections will explore the demands of Parliamentarians for an increased role in relation to these institutions and offer suggestions as to how the Canadian government might respond to these expectations.

Section I: The New World of International Trade Agreements

The World Trade Organization came into being in 1995 as a controversial replacement for the General Agreement on Tariffs and Trade (GATT). While some see the WTO as another step in the natural evolution of the many international institutions that have been established since the end of World War II, others view it as one of the most dramatic and important threat to national democratic institutions in the last fifty years. It will come as no surprise that it has not been easy for political leaders to reconcile these fundamentally different perspectives.

Those who do criticize the WTO believe that there have been significant shortcomings in its consultation and decision-making processes from its inception. They view it as an artificial creation of governments rather than an institution that is "of the people" in the UN tradition. Of the many critiques of the WTO, perhaps the best example is the one published by Canada's International Institute for Sustainable Development (IISD), in its report, *The World Trade Organization and Sustainable Development: An Independent Assessment*.

Although this report was published a short two years after the WTO came into operations, IISD raised some tough questions, mostly dealing with the environmental and sustainable development agenda, that in many respects are still held out by critics to be benchmarks in the current debate: For instance, IISD made the following comment on the issues of transparency and participation: The WTO has a long way to go to meet basic criteria for access to information and scope for participation. The processes of globalization must also extend the rights that traditionally counterbalance the risks of abuse of public authority and the unfettered exercise of private power.

The WTO must shed the habits of a club and become a global forum for trade policy. The two approaches to decision making are fundamentally incompatible.