

Canada embarks on free-trade talks with EU

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Canada embarked on free-trade negotiations with the European Union Wednesday with a visit by Prime Minister Stephen Harper to Prague, while Quebec showed its determination to play its own major role in the talks, naming former Parti Québécois premier Pierre-Marc Johnson as the province's "chief negotiator."

Quebec Premier Jean Charest has established close ties with the former PQ leader, who has been one of the Liberal government's most respected voices on everything from trade issues involving the United States and China to heading a public inquiry into the 2006 collapse of an overpass in Laval that killed five people.

Mr. Johnson, who in the 1980s placed sovereignty on the backburner to promote Quebec's "national affirmation" within Canada, has now been asked to advance Mr. Charest's vision of Canadian federalism, in which provinces act as partners with Ottawa in major decisions, rather than spectators.

"The European Union was reticent to engage in such talks unless the provinces were committed to the process," Mr. Johnson said.

Mr. Charest promised there would be no implementation of a treaty unless the provinces were on board. "It is the first time that our role is formally recognized to ensure successful negotiations," he said. "It can't be just presence, it has to be influence."

As chairman of the Council of the Federation, Mr. Charest obtained support from all the provinces – except Newfoundland and Labrador – for a trade deal with the EU.

That provincial split was further strained when the European Parliament voted 550-49 earlier this week to ban seal products.

Newfoundland politicians have suggested that Ottawa will be abandoning the province if it does not demand the EU drop the ban.

Mr. Harper said Wednesday that his government is vigorously defending the sealing industry both domestically and internationally, but also said he would not allow Europe's ban on seal products to "contaminate" a potential trade deal.

"It is important that in any relationship, but particularly in a mature and complex commercial relationship like ours, that we not allow a dispute on one issue to contaminate our relations on a whole bunch of other things," he said during a news conference at the conclusion of a one-day summit between Canada and the EU.

"If we were to make our trade relations with the European Union only the sealing issue, we will never have any trading relations because as we know this is a disagreement of long standing, one of which I suspect we may never see eye to eye," he added.

Trade Minister Stockwell Day, who is also in Prague for the meetings, said that the government will appeal the decision to the World Trade Organization.

European Commission President Jose Manuel Barroso defended the ban, arguing that while the EU understands "the sensitivity" of the issues for Canada, the ban was in no way protectionist and that it "is fully compatible" with the rules of the WTO.

Mr. Harper discussed the trade negotiations with Mr. Barroso and Czech Prime Minister Mirek Topolánek, who is giving up the presidency of the EU tomorrow.

The launching of the trade talks between Canada and the EU could lead to a deal potentially worth \$12-billion in increased exports for Canada.

The EU is Canada's second-largest trading partner after the United States. "... keep in mind that would be the start of a process," Mr. Day said. "Our estimation is that if we had a free-trade deal with the EU right now, we would see a boost in our exports of about \$12-billion. That translates to thousands of jobs."

If successful, it would be the first time that the EU has entered into such an agreement with a developed country, and it is viewed as a model for a potential free-trade deal between the EU and the United States.

It is hoped that a deal, which will seek agreements in areas including labour mobility, customs procedures, trades in services investment, food safety, sustainable development and goods, could be signed within a year.