

FOREIGN AFFAIRS: PROPOSAL EXCEEDS SCOPE OF NAFTA

Provinces key to EU trade deal, Quebec Premier says

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NIAGARA-ON-THE-LAKE, ONT. -- Canada's premiers will play a pivotal role in the country's efforts to integrate its economy with the 27 nations of the European Union, Quebec Premier Jean Charest says.

Preliminary talks between Canadian and European officials will begin on Oct. 17 at a summit in Montreal. The provinces' role in the negotiations will be instrumental to the fate of the proposed massive agreement because it involves issues that primarily fall under their jurisdiction, Mr. Charest told The Globe and Mail yesterday.

No deal could happen without the premiers at the table, he said.

"Unless we are fully involved in the negotiations, we are not going to get the deal we want," Mr. Charest said.

He described the proposed pact as a groundbreaking initiative on a scale that has never been attempted. The accord would go well beyond the scope of the NAFTA agreement between Canada and the United States by encompassing not only trade in goods and services but also the free movement of skilled workers and an open market in government services and procurement.

Mr. Charest said the federal government can sign a treaty with other countries dealing with these areas. But he said Ottawa does not have the power to commit the provinces to areas that fall under their jurisdiction. "It is without effect if we don't sign on," he said.

The fact that provinces will be at the negotiating table reflects their efforts to play a major role in charting the country's destiny on key issues where their interests are at stake. The push to remove trade and investment barriers with the EU countries comes as Canada is making an effort to lessen its dependence on the United States, its largest trading partner.

Mr. Charest was in Niagara-on-the-Lake yesterday, where he and Ontario Premier Dalton McGuinty spoke on a panel at the Ontario Economic Summit about the toll the weakened U.S. economy has taken on Central Canada. Thousands of manufacturing jobs have vanished in Ontario and Quebec in the past few years, and the pain is far from over, economists say.

Mr. McGuinty told the audience that Canada's premiers will lead their first-ever trade mission to China later this fall. "We need to find more ways to market ourselves as a nation," he said.

Mr. Charest has been involved in the initiative involving the EU countries for two years, including lobbying business leaders in its member countries. He said it is up to Canada to "hustle" for the proposed trans-Atlantic accord because no one is going to come knocking on its door.

"There's no one who gets up in the morning in the world community saying, 'why don't we make a deal with Canada today?'" Mr. Charest said. "If we want these types of agreements, we have to go out there and fight for them and hustle for them."

The pitch he is making to Europeans is to do a deal with Canada that can serve as a model for something far more ambitious with the United States.

"We've always had a very clear view that it's our responsibility to promote our interests abroad," Mr. Charest said.