

# John Ivison: Pauline Marois intent on scuttling Canada's European free-trade deal

**John Ivison**

Sep 19, 2012

Pauline Marois will be sworn in as the 30th Premier of Quebec Wednesday. Her first order of government business will be to pick a fight with the Prime Minister, as a distraction from the fiscal train-wreck set to hit her province when she ushers in billions in new spending, tax hikes and rampant protectionism.

One option that fits with her apparent plan to take Quebec back to horse and buggy lifestyle is to try to block the Canada-European Union free trade deal, currently being negotiated in Ottawa.

Ms. Marois is intent on creating a new department of foreign affairs and international trade to carry out its own negotiations on trade deals. Jean-François Lisée has already been named her Minister of International Relations and External Trade.

Ms. Marois' Parti Québécois has paid lip-service to being positive about more trade, but open markets seem to have no place in a government that advocates food sovereignty, blocking foreign takeovers of Quebec companies (such as U.S. hardware chain Lowe Companies' bid for Rona Inc.), a 50% tax on oil development and a moratorium on shale gas development.

Quebec negotiators in Ottawa say they have not received fresh directions from the new government, but Ms. Marois has been clear that she wants to negotiate her own

international agreements. She may decide that opposing free trade would not only win her kudos from her progressive supporters, who have a visceral dislike for any and all trade agreements, but also from her separatist backers, who would relish jamming a stick into the spokes of Stephen Harper's flagship export strategy.

The most sensitive nerve for the PQ to poke would be the issue of government procurement, where the EU wants access to large publicly funded projects like the building of new hospitals and schools. It's understood Quebec has agreed to access covering 80% of sectors but has not yet reached a deal on hydro or subway construction. The Marois government could renege on existing areas of the accord or simply refuse to go further, arguing that Quebec companies should get preference.

But, like most of what the PQ is proposing, either course would be an act of supreme self-immolation. Former premier Jean Charest instigated the free trade talks with the EU for good reason – they are good for Quebec. The province's large aerospace, mineral, wood and food industries all stand to benefit from more open markets in Europe.

“She can't pick and choose what she wants to agree to. She may think she can but there would be a price and the price would be the agreement being watered down. The EU will not accept a substandard procurement agreement,” said Jason Langrish, executive director of the Canada-EU Roundtable For Business.

Mr. Langrish pointed out that Canada, including Quebec, already has a government procurement agreement with the United States, which resolved the Buy American dispute two years ago. “There is no precedent being set here,” he said.

In addition, watering down the procurement chapter of the

EU deal would hurt not just the federal government's export strategy but also cause tensions with other provinces like Alberta, which is hoping to see significant gains in areas like pork and beef exports, and the Maritimes, where there are high expectations around seafood, liquefied natural gas and even oil exports to Europe.

Trying to scupper the deal doesn't even make sense for sovereigntists, Mr. Langish argued, since the EU is not likely to be interested in negotiating a separate free trade agreement with Quebec, independent or not.

The Canada-EU deal will get done one way or another. The visit to Ottawa by German Chancellor Angela Merkel last month was primarily about setting a timeline for finalizing an agreement. Negotiations are due to conclude this year and the political battles will come in 2013 during the ratification process.

But Ms. Marois has the potential to turn a landmark, comprehensive deal into a much less ambitious affair.

The only compensation for Mr. Harper is that he knows exactly where he stands with the new Premier — she will always let him down. But, if she scuppers the procurement chapter, she will also be letting down millions of Quebecers, who stand to benefit from increased trade.