

John Manley presses Harper government on Canada-EU free trade talks

By Jason Fekete, Postmedia News September 16, 2013 3:47 PM

OTTAWA — Chief executives of Canada's largest companies are urging Prime Minister Stephen Harper to quickly conclude Canada-EU free-trade negotiations that are at a "make-or-break point," and continue lobbying U.S. President Barack Obama on a Keystone XL pipeline that may need an environmental olive branch.

Canadian Council of Chief Executives president John Manley is also calling on the Harper government to introduce a national price on carbon and says "everybody is ready" for the government's long-delayed greenhouse gas regulations for the oil and gas industry.

His comments came as Harper acknowledged Monday he had sent a letter to Obama, in which he "reiterated the government's strong support" for the Keystone XL pipeline. Harper also says he's open to working with the U.S. on greenhouse gas regulations for integrated industries.

In a new letter to Harper released Monday, Manley pushes the prime minister to address in the upcoming throne speech a handful of policy concerns, notably ongoing Canada-EU trade talks, the Keystone XL project, Canada-China relations, and supply management in the dairy and poultry sector.

The council of chief executives — which represents CEOs from 150 of Canada's largest companies — is the latest major business group calling for the Harper government to step up its efforts and complete trade negotiations with the European Union. Last week, the Canadian Chamber of Commerce said it's time for the prime minister to "fish or cut bait" on the trade talks.

In the letter to Harper, Manley said Canada's international trade reputation will be severely damaged if the Conservative government is unable to conclude Canada-EU trade talks, with the Canadian economy taking a significant hit.

"Our country is at a make-or-break point in negotiations on the proposed Comprehensive Economic and Trade Agreement (CETA) with the European Union," Manley said in the letter.

"Unless both sides move quickly to make the necessary concessions, we fear that the CETA may slip out of reach and, with it, Canada's opportunity to secure preferential access to one of the world's largest markets."

Manley said the council of chief executives was concerned with Harper's assessment earlier this month at the G20 summit that "very significant gaps" remain between the two sides on CETA.

Failure to finalize a Canada-EU deal soon would only hurt Canada's chances at concluding other negotiations in the Asia-Pacific region and elsewhere, such as

completing the Trans-Pacific Partnership of 12 Pacific Rim nations.

“The credibility of our country’s trade agenda, a cornerstone of your government’s strategy for jobs and growth, is at stake,” added Manley, a former Liberal deputy prime minister.

On the Keystone XL project, the prime minister acknowledged Monday he wrote a letter to Obama about the pipeline.

Reports have indicated Harper sent a letter in late August to Obama proposing “joint action to reduce greenhouse gas emissions in the oil and gas sector” if it will help win approval of the Keystone XL oilsands pipeline.

“On the Keystone pipeline, I reiterated the government’s strong support,” Harper told reporters at an event in Vancouver, when asked about the letter.

Canada is open to “working continentally with the United States on areas where we have integrated industry,” he said, as has been done on emissions standards in the transportation sector. “We continue to be open to working with our American partners on things like that,” Harper added.

Manley said the Keystone XL pipeline is a critical part of a broader comprehensive strategy that is needed to expand cross-border energy infrastructure.

“Your continued direct engagement with President Obama is critical to moving this agenda forward in a constructive way that meets both countries’ objectives,” Manley said in the letter.

Speaking to reporters Monday following a luncheon speech in Ottawa, Manley said it has become clear officials in the Obama administration “need something on the environmental side” if they’re to approve the Keystone XL project.

Working with the U.S. government on harmonizing greenhouse gas regulations for the oil and gas sector “would probably be a good step forward,” he told reporters.

“Give them something that they can use to deal with their constituents in the Democratic Party that are concerned about environmental issues,” Manley said.

The \$5.3-billion Keystone XL pipeline would transport 830,000 barrels of oil a day primarily from Alberta’s oilsands and the Bakken formation in North Dakota to refineries on the U.S. Gulf Coast. The final approval on the project rests with Obama, but it appears a decision won’t be announced until 2014.

The Canadian Council of Chief Executives is again calling on the federal government to introduce a price on carbon emissions. Manley said his group is concerned about having differing policies in the provinces, and would prefer “a national approach” to carbon pricing.

If the federal government decides to introduce greenhouse gas regulations for the energy sector, the industry will be prepared, he said.

“Everybody is ready for it. So it’s time. It’s time for us to get some clarity,” Manley added.

In the letter, he also calls on Harper to return to Beijing “at the earliest opportunity” to initiate a “meaningful and effective dialogue” with new Chinese President Xi Jinping and his administration.