

Summit will give Canada-EU trade pact big push: Sarkozy

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PARIS - French President Nicolas Sarkozy, declaring his love for Canada and touting his use of the Canadian model as an inspiration to reform France, says Friday's Quebec City summit with Prime Minister Stephen Harper will result in a "decisive impetus" toward an "ambitious" economic partnership agreement between Canada and the European Union.

His comments came as both Canada and the EU made public a joint study Thursday which predicts that an accord could create \$32 billion in new wealth annually by 2014 - with \$13 billion of that total enjoyed by the much-smaller Canada.

Sarkozy, in a wide-ranging written exchange with Canwest News Service, also addressed the world financial crisis, the Afghanistan conflict, Alberta's oilsands industry and France's new position on the sensitive Canadian national unity file.



French President Nicolas Sarkozy: 'I am one of the most involved political leaders in favour of an ambitious economic partnership between the EU and Canada.'

Jock Fistick/Bloomberg News

"Indeed, I love your country," wrote Sarkozy, the current EU president, who meets Friday with Harper and European Commission President Jose Manuel Barroso.

Sarkozy will then address the Quebec National Assembly before speaking at the summit of the Francophonie, the 55-member organization of governments with significant French-speaking populations.

"I also greatly admire your country and its values, its ability to encompass modernity and change and its ability to turn its tremendous diversity into an asset," he told Canwest, the only Canadian English-language media outlet to be granted the opportunity to put questions to the French president before his visit.

"It is not a coincidence that Canada is the only country mentioned in the engagement letter that I sent after my election to all ministers of the government to guide their actions, namely in the area of government reform."

Sarkozy, who has made numerous private visits to Canada after befriending Canadian billionaire Paul Desmarais in 1995, was asked for assurance that the EU will agree Friday to launch negotiations aimed at a comprehensive trade and investment accord.

Quebec Premier Jean Charest has led the push for a Canada-EU deal, but some members of the 27-nation bloc are likely to be wary of dismantling trade barriers during the financial crisis, one European official told Canwest last week.

Sarkozy stopped short of a clear commitment, though one source in the Canadian business community said he's confident the negotiating process will start.

"I am one of the most involved political leaders in favour of an ambitious economic partnership between the EU and Canada," Sarkozy replied.

"The summit on Oct. 17, 2008, will make it possible for us to bring a decisive impetus to the table regarding this issue."

He said the trade agreement has to include provisions to improve bilateral investment, labour mobility, technological co-operation, intellectual property protection and the potentially controversial issue of opening up of provincial government procurement markets to outside competition.

"The economic relationship between the EU and Canada has great development potential because the European market is greater than that of the United States."

Sarkozy also reiterated his views on France's bond with both Quebec and Canada, made during an emotional speech earlier this year at a French cemetery containing the remains of 2,000 Canadian soldiers who didn't survive the 1944 D-Day assault to liberate France.

His declaration erased a 31-year-old policy, in place during two referendums, in which the French government said it would neither interfere in internal Canadian affairs nor remain indifferent to Quebec's future. That vague policy, which annoyed Canadian federalists and cheered sovereigntists, came after former French president Charles de Gaulle's infamous "Vive le Quebec libre" speech in Montreal in 1967.

Sarkozy said the non-interference, non-indifference policy, dubbed "ni-ni" in French, was never intended to be a subtle signal that France was indeed open to meddling in the Canadian national unity file.

"Its meaning is not questionable because France does not wish to influence Quebec's choice in any way no more today than it did in the past," Sarkozy wrote.

He repeated his statement, made after the cemetery speech upset Quebec nationalists, that Canada is a close friend but Quebec is like a brother.

"I want to emphasize the following statement: this unique, brotherly relationship that exists between France and Quebec in no way excludes the strong friendship that ties France and Canada," Sarkozy wrote.

"We have lived too long with the idea that a choice must be made between one or the other; that to honour one is to betray the other. It is just the opposite! The special bond that unites France and Quebec is an opportunity, a wonderful asset for the Franco-Canadian friendship as well."

Among other issues:

- Sarkozy wouldn't comment on Canada's plan to withdraw its 2,500 troops from Kandahar in 2011 but praised Canada's efforts and noted its disproportionate loss of lives in the Afghanistan conflict.

But he made clear France won't set a timeline to withdraw its soldiers even though public opposition increased after a devastating August ambush left 10 French soldiers dead and 21 wounded.

"We are not allowed to lose this battle. That is why I decided to reinforce France's military presence and it is why we will stay as long as need be, alongside the Afghan people."

- Sarkozy said France recognizes Canada's difficult challenge in bringing down greenhouse gas emissions while Alberta's oilsands industry is booming.

"France is aware of Canada's particular constraints, namely those in relation to oilsands production, and we defend the principle of 'common but differing responsibilities'," he wrote.

"Everyone must make an effort, with greater or lesser constraints, based on their level of development."

- He indicated he will urge Harper on Friday to support the EU's push for an international summit by the end of the year to reform the international financial and monetary systems.

"With its international leverage and new socio-economic model, at the crossroads of the European and American systems, Canada can make a vital contribution to the discussions on this financial situation."

Jason Langrish, spokesman for the Canada-Europe Roundtable for Business, said the Canada-EU study showing \$31 billion in gains will inspire a commitment at Friday's meeting.

"I understand that tomorrow's summit statement will announce the launch of a scoping exercise to frame the negotiating modalities. I would expect that the scoping exercise should be completed by early 2009 with a view to then launching formal negotiations, which will hopefully be concluded within approximately one year," Langrish said in an e-mail.

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