

N.L. won't stop Canada-Europe trade talks: EU

By Peter O'Neil, Europe Correspondent , Canwest News Service February 23, 2009

Newfoundland and Labrador Premier Danny Williams, in a statement issued from St. John's late last week, took his bitter dispute with Prime Minister Stephen Harper to another level by raising the high-stakes Canada-EU trade talks.

PARIS — The European Union and a Canadian business group said Monday that Newfoundland and Labrador Premier Danny Williams's new objections to a proposed Canada-EU trade deal won't scuttle negotiations.

Williams, in a statement issued from St. John's late last week, took his bitter dispute with Prime Minister Stephen Harper to another level by raising the high-stakes Canada-EU trade talks. "At this point, we are not willing to sign on to support the negotiation of a new and comprehensive economic agreement with the European Union," Williams said.

He said his government has "very genuine concerns that our province's issues may not be safeguarded or dealt with in an appropriate way by the federal government."

Williams, who has waged an unrelenting political assault on Harper over a dispute about federal transfer payments, complained Ottawa isn't doing enough to deal with Newfoundland's concerns in areas such as high seafood tariffs and the proposed EU seal products ban.

The EU has said it can't strike a deal, which according to a joint study would bring billions of dollars in economic growth to both Canada and Europe, without provincial government participation.

European businesses are demanding, for instance, the right to bid on provincial government goods and services contracts. But a European official said Monday the overwhelming support of other provinces, who issued their own pro-free trade statement Friday, is good enough to justify ongoing talks.

Negotiators for both sides are engaged in a “scoping” exercise intended to determine what will be on the table. If that process is a success Canada and the EU are expected to launch full-scale negotiations in May during a summit in Prague.

“It would have been ideal if all provinces had joined” in Friday’s pro-trade declaration, Jan Sliva said in a statement. “But in our view those provinces and territories that did join represent the majority of Canada’s trade and investment potential.”

Newfoundland’s economy is responsible for less than two per cent of Canada’s gross domestic product, according to the latest Statistics Canada figures from 2007.

Sliva said the EU is still attempting to clarify “the commitments of Canadian provinces” in terms of their willingness to implement the accord’s terms.

“The Czech EU presidency hopes the negotiations will finish on time, with a view to a planned EU-Canada summit in Prague.”

A business lobby group stressed Ottawa has offered an unprecedented level of consultations and direct participation in the negotiations.

Jason Langrish, executive director of the Canada Europe Roundtable for Business, said he believes the problems are resolvable and therefore won’t threaten negotiations.

“Based on the content of the Newfoundland news release, coupled with the souring of relations between Premier Williams and Prime Minister Harper that has been occurring now for some time, one might logically draw the conclusion that the decision to separate from his fellow premiers is a politically motivated act more than it is a statement of concern with the proposed negotiating alliance between the federal government and provinces,” Langrish wrote in an e-mail.

International Trade Minister Stockwell Day said Ottawa has raised Newfoundland’s concerns with the EU and other Canadian provinces.

“Advancing our economic relationship with our second-largest commercial partner is a priority for our government,” Day said in a statement.