

## PRESS RELEASE

### The Agreement on Internal Trade puts Quebec Model in jeopardy

*“It looks increasingly like a present to big business at the expense of citizens and government’s ability to regulate.”*

- Michel Arsenault, QFL President

**Quebec, Thursday, July 17<sup>th</sup> 2008** – Could the rates charged by childcare centers, by Hydro Quebec or the compensation made by the Quebec public auto insurance be deemed unfair competition and lead to penalties by virtue of the Agreement on Internal Trade (AIT) now being discussed by the Premiers?

This could very well be the case according to the presidents of provincial and territorial labour federations now assembled in Quebec City in parallel to the meeting of the Council of the Federation. *“We observe a strong push by a powerful business lobby to deepen the AIT’s ambit and to institute a binding trade tribunal system that could impose fines on provinces.*

*“Premiers would abdicate significant authority to private interests. The Quebec Model itself could be challenged by the backdoor,”* Michel Arsenault declared on the behalf of labour leaders present.

#### **A powerful business lobby**

In a recent letter to Premier Jean Charest, on July 10<sup>th</sup>, a powerful lobby of bankers, oil companies, chambers of commerce and manufacturers is expressing satisfaction with the fact that *“(…) ministers (reached a consensus) on an enforcement mechanism to resolve disputes, including a tiered approach to monetary penalties in the event of non-compliance.”*

Up to now, the AIT was a political agreement based on the consensus of the parties involved with no binding settlement mechanisms or penalties. The current negotiation would essentially change that and open the door for corporations who might want to challenge a province or a municipality’s laws and regulations if they are deemed ‘barriers to trade’. This would import in Canadian domestic affairs what now exists with NAFTA and the WTO.

#### **Real issues are not being addressed**

*“It is sad that the Premiers are wasting their time providing problematic solutions to the non-existent problem of trade barriers in Canada. Claims that trade barriers are costing up to .1 % of GDP are not credible, have never been substantiated and are just an excuse to put constraints on government’s ability to regulate. The fact of the matter is that trade among Canadian provinces vastly outweighs that with U.S. states.”*

“It seems to us that instead of putting forward erroneous solutions to non-existent problems, the Premiers ought to address the real issues such as the job crisis in manufacturing, high gas and heating oil prices, and the need to improve public transportation.”

### **A culture of secrecy**

The labour leaders deplore particularly the veil of secrecy that shrouds the discussions around the AIT, discussions that could well subvert the principles of federalism and governments’ ability to regulate in the public interest. They call on all parties concerned for public consultations on this matter in every jurisdiction.

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Source: FTQ

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List of the presidents at the union meeting

Michel Arsenault, Québec

Wayne Samuelson, Ontario

Reg Anstey, Newfoundland and Labrador

Darlene Dziewit, Manitoba

Jim Sinclair, British Columbia

Mary Lou Cherwaty, Northwest Territories and Nunavut

Larry Hubich, Saskatchewan

Alex Furlong, Yukon

Gil McGowan, Alberta

Carl Pursey Prince Edward Island

Michel Boudreau, New Brunswick

Hassan Yussuff, Congrès du travail du Canada