

For Immediate Distribution Wednesday, October 30, 2002

NEWS RELEASE

More Direct Province-State Engagement Needed on Canada-US Integration

IRPP study calls for new cross-border institutions and improved federal-provincial mechanisms

Montreal – Greater direct engagement between Canadian provinces and US states would help bring about a more beneficial economic integration between the two countries, concludes Stephen de Boer, a trade specialist with the Ontario government who also teaches at York University in Toronto, in a study released today by the Institute for Research on Public Policy (IRPP).

De Boer's study, *Canadian Provinces, US States and North American Integration: Bench Warmers or Key Players?* proposes a state-provincial forum that would discuss issues of state and/or provincial jurisdictions that are international in scope. This forum would also supply information to negotiations between Ottawa and Washington on the same issues.

The study also proposes that neighbouring provinces and states wishing to fast-track improvements on trade and other issues of common interest work toward comprehensive administrative agreements to facilitate regional cross-border exchanges. These would build on the existing patchwork of meetings and agreements that already exist between them on various issues. These accords could fall under the aegis of the NAFTA Commission, a ministerial-level body that is charged with supervising NAFTA's implementation and ensuring its further development.

Closer federal-provincial interaction in fashioning Canada's international trade position and a revitalized federal-provincial ministerial forum on trade issues would also improve Canada's ability to address cross-border issues touching on areas of provincial jurisdiction, says the author.

De Boer comes to these conclusions after examining the theory and practice of federal and sub-federal involvement in the negotiation and implementation of trade agreements in both Canada and the United States, and reviewing a number of past disputes involving stateand provincial-level measures. "If the North American marketplace is to be integrated, the role of sub-federal governments must be recognized and these governments must be encouraged to both implement existing commitments and to contribute effectively to the development of new ones," concludes the author.

Institute for Research on Public Policy

Institut de recherche en politiques publiques This thought-provoking *Choices* study is now available in Adobe (.pdf) format on the IRPP website: <u>http://www.irpp.org</u> It is the first in a new series — *Canada's Options in North America* — of IRPP studies that will examine ways to improve Canada's relationship with the US and within NAFTA. Upcoming studies in this series will examine transportation links, investor protection, energy trade, continental business strategy and dispute settlement, among other topics.

For more information, or to schedule an interview with IRPP Senior Economist Daniel Schwanen, coordinator of the series, please contact the IRPP.

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