

# Canada Aiming for Agreement in Principle with EU on Trade: Sources

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OTTAWA--As the window for clinching a free-trade pact between Canada and the European Union narrows, Canadian negotiators are trying to work out an agreement in principle with European counterparts, allowing leaders to ink a deal but work out still-difficult technical differences at a later date, according to people familiar with the matter.

That's an unusual strategy for such a high-profile free-trade deal, and it's unclear whether European counterparts would agree to such an arrangement. But Canada's consideration of the move underscores the urgency with which Prime Minister [Stephen Harper](#)'s government is pushing ahead with the talks, which have been going on for almost four years.

Canadian officials dismissed the idea Ottawa would agree a deal without ironing out key technical differences, such as those in the thorny and politically sensitive agricultural sector, saying any technical issues that remain after an agreement would be minor.

"An agreement will only be finalized, and an announcement made, when Canada's key interests have been met, including core technical details," Rudy Husny, a spokesman for Trade Minister Ed Fast, said in an email.

Canada is under pressure to sign a deal quickly, ahead of the formal launch of trade talks between Brussels and Washington. Canadian officials worry their own talks will lose priority in Brussels once talks with the Americans begin. Mr. Harper's Conservative government has made expanding trade a key economic priority.

Negotiators in Ottawa and Brussels have been working towards an agreement that leaders could sign, possibly on the sidelines of the June 17-18 Group of Eight leaders meeting in Northern Ireland. But according to one person familiar with the matter, Brussels and Washington are expected to formally announce the launch of their talks at the summit, "so it would make sense for Canada to try to have something before that announcement."

"There's no way they're going to resolve all the technical issues before we have an agreement-in-principle," according to another person familiar with the matter, who said negotiators are aiming to put together an agreement outlining what they've agreed to, and iron out technical issues at a later date.

Probably the biggest sticking point holding up a deal involves greater access for Canadian beef in Europe.

Technical issues to be sorted out include the kind of carcass washes used in North America, which aren't approved in Europe. But a Canadian official said this issue is of "core importance" and "would definitely" have to be resolved before a deal.

Though common in business, agreements in principle are unusual in trade treaties, according to a former trade negotiator for the Canadian government.

"This will be a new thing. It suggests to me that there is a time pressure to announce an agreement in whatever way, shape or form on the core elements," he said. "I link that to the G-8, the commencement of the EU-U.S. trade negotiations, and the need for the government to have good news out there, something that is part of the economic agenda."

Canadian negotiators are in Brussels to try to drive talks to a point where top trade officials from both sides can formally

meet to iron out politically sensitive matters, according to another person familiar with the matter.

An EU trade spokesman declined to comment.