

EU trade talks: Quitting is not an option

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The Globe and Mail

Published Thursday, Jul. 25 2013, 1:09 PM EDT

“No man is an island entire of itself,” the poet John Donne wrote four centuries ago. Today, those words apply equally to countries and economic regions, and they sum up the case for the Canada-EU Comprehensive Economic and Trade Agreement (CETA).

Yet, after three years of negotiations, the two sides still have not come to terms. Informal deadlines have come and gone; the sense of anticipation that surrounded the talks this past spring has largely dissipated. Some commentators suggest that the price of an agreement would be too high, and that Canada should take the opportunity to bow out.

But having come this far, neither side can afford to let the negotiations crater. Indeed, an unsuccessful conclusion to the talks would inflict serious damage on the trade aspirations of both partners as they seek to forge stronger ties to other important foreign markets.

The EU recently launched free-trade negotiations with the United States – talks that are unlikely to proceed far if the EU shows itself incapable of cementing a deal with a smaller economy such as Canada. For its part, Canada needs to demonstrate that it can reach an agreement with Europe if it is to have much hope of making headway in trade negotiations with emerging markets in Asia.

Critics of the CETA put forward three different justifications for their view that a deal isn't necessary or desirable. Each is seriously flawed.

One group argues that the EU is a slow-growth economy and therefore should be viewed as a low priority on Canada's trade agenda. They ignore the fact that the EU's 28 member countries comprise the world's largest single market, equal to about one-fifth of global economic activity. CETA will give Canadian firms preferential access to a market of more than 500 million consumers, 14 times Canada's population. The EU is a market that matters now and in the future.

The second group of critics warns that liberalized trade with Europe will destroy Canadian companies and jobs. Some go so far as to suggest that ruthless European invaders will exert control over our water supply, our healthcare system, even our mail delivery.

The doomsayers rang similar alarm bells during the Canada-U.S. and North American trade talks in the 1980s and early 1990s. History has shown that their claims were wildly overblown. We have even less to fear from the CETA. The concerns over labour and environmental standards that dominated the NAFTA debate are largely irrelevant in the context of the EU, where such standards are generally as high as – if not higher than –

those in North America.

Finally, a third camp suggests that we should walk away from these talks for tactical reasons, and that we will get a better deal if we wait.

Unfortunately, putting deals on ice is a recipe for letting them spoil, as priorities and circumstances change.

So where do we go from here?

The negotiating teams on both sides deserve praise for getting things to this point, but it is up to their political masters to complete the job.

Prime Minister Stephen Harper launched the talks on Canada's behalf, and he is the only person with the authority to make the hard choices that inevitably arise in negotiations this complex. On the EU side, European Commission President Jose Manuel Barroso must summon the political courage to carry his 28 member states over the finish line. No new issues or backsliding can be tolerated. The only acceptable direction is forward.

The CETA represents a key milestone in Canada's pursuit of open markets and the improved living standards that invariably result. Now is the time for leadership on both sides to break the stalemate and get the deal done.

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