

Free trade with Europe - a not-so-distant dream

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Last year, when Jean Charest began advocating a sweeping new free-trade agreement between Canada and the European Union, this newspaper was among the scoffers. He's wasting his time, we said.

But in a little-remarked-upon story from London recently, the Globe and Mail reported that the Europeans have agreed to open preliminary talks on such an accord as early as Oct. 17. This is momentous news.

Mysteriously, Prime Minister Stephen Harper, his trade minister, Michael Fortier, and Charest have all chosen to say nothing about this. The Globe report cited a government study predicting a \$40 billion minimum increase in annual bilateral trade, mainly in services. Surely this subject would be better election-campaign fodder than the dreary brew of gaffes and insults we've been getting.

It will be a very long way from opening preliminary talks to the final signing of a document, but this is a development Montrealers should welcome. Our bilingualism and our geography mean this region could benefit greatly from expanded trade with the 27-country European Union.

Fortier and his officials have been deep in talks, the Globe said, with EU Trade Commissioner Peter Mandelson and his people, preparing the ground for what one Euro-official called "deep economic integration negotiations."

How deep? Deeper than NAFTA, the tremendously successful deal opening up trade among Canada, Mexico and the U.S.; deeper because the goal here would include free movement of skilled labour, and also government procurement.

Here's where Charest comes in. Canadian provincial governments jealously guard the power to exclude suppliers from the next province, never mind Bulgaria. But Charest, as vigilant a premier as any, knows that a Euro-deal would have to include such areas, and has signalled his willingness to twist other premiers' arms on that. Charest and Harper - if they both stay in office - could be a potent combination to make this happen.

A host of laws, regulations and policies would have to be changed, and there will be plenty of opposition. Lots of companies, unions and interest groups are fatly comfortable with the status quo constraints on trade and competition.

In the past, the idea of Canada-Europe trade deals has more often been a stick with which to beat the Americans than a serious proposal. Remember Pierre Trudeau's forlorn

peregrinations around Europe seeking a "contractual link"? That never was a serious proposal, and came to nothing.

Hard times are protectionist times, and current global financial turmoil won't help make this new notion any easier to sell, on either side of the Atlantic. But the example of free trade with the U.S., and then of NAFTA, should greatly ease resistance this time. And early support from Quebec, and perhaps other provinces, will also be valuable.

If the Europeans are serious, this is an idea with real potential. We look forward to the start of talks soon after the federal election. We'd like to hear what the parties have to say about this, too.

And Mr. Charest, we apologize. However this plays out, it's now clear that you certainly were not wasting your time.