

Manley to warn EU on Canada free-trade talks

By The Canadian Press — [CP](#) — Sep 26 2013

OTTAWA - The head of Canada's leading business organization is warning the European Union that its credibility will be damaged if the long-delayed free-trade deal with Canada breaks down.

That will be the underlying message that John Manley, president of the Canadian Council of Chief Executives, delivers Friday in a speech in Ireland that he says is aimed at the entire 28-country European bloc that has been locked in four years of stalled trade talks with Canada.

Manley's remarks are clearly intended as a shot back at the EU, whose senior officials have publicly blamed Canada for the failure to conclude a deal in recent months.

Manley said a failed Canada-EU process could discredit the Europeans moving forward in their coming negotiations with the United States, and he suggested it could fuel the simmering debate in the United Kingdom about pulling out of the EU.

"The most immediate price is in the message it sends to other potential trading partners, including the United States," Manley said in an interview with The Canadian Press on Thursday.

In the summer, the former EU ambassador to Canada, Matthias Brinkmann, said a deal could have been reached in February but Canada would not agree. Brinkmann said getting a deal done "takes two to tango."

Manley — a former Liberal finance and foreign affairs minister who is also well-respected by Conservatives — threw that phrase back at the Europeans.

"We're perfectly happy to urge our government to knuckle down and get this done, but it takes two to tango," said Manley.

Prime Minister Stephen Harper already faces political pressure to get the talks finished so he has something to show after branding his government as ardent free traders. As well, Europe's free-trade negotiations with the U.S. are ramping up in October, which could push the Canadian talks to the back burner — something the Europeans frequently point out.

Manley said he wants his European audience to understand that a failed negotiation with Canada could hurt them as well.

"I think the message that they send is very negative if they can't conclude a deal with a country that has staked its reputation on being open to liberalized trade."

In his speech to the Ireland Canada Chamber of Commerce and the Ireland Business Association, Manley will tell his audience that EU negotiators are "not feeling much pressure" from some European governments to reach a deal.

Moreover, Manley will tell his audience that the EU has yet to sign major trade deal with a large advanced economy.

Harper told a business forum in New York on Thursday that he's "deeply involved" in the final stages of the talks with Europe.

"I've become aware in more detail of the various needs of all these sectors than I ever thought I would need to know," Harper said.

"Getting a free-trade deal with Europe is quite frankly the No. 1 trade priority of the government right now; we're in the final stages of that," the prime minister added.

"We've been there for some time, but we are making progress and if we could do that we would be one of the very few, certainly the only advanced economy with free-trade access to both the United States and the European Union."

But Harper needs someone senior from the European side, perhaps European Commission President Jose Manuel Barroso, to sit down with him, Manley added.

He said Canada needs to see more signs of a "coherent approach" from Europe.

"We can't get to the finish line and be told that countries are holding out for reasons completely unrelated to the negotiations, which is one of the rumours out there."

Manley will be speaking in a country that is one of Europe's major beef producers.

Beef and pork has been one of the biggest obstacles to a deal, but as The Canadian Press recently reported the two sides recently settled — tentatively — on a quota that is big enough to allow Canadian meat producers to penetrate the European market.

"What's significant is that Ireland is one of the countries we've all heard has been difficult to get to signing off on the deal," Manley said.

"Neither am I authorized nor do I have the knowledge to get into the details of the negotiations in a sector. But I would say that if it's true that the Irish government is one of the countries to yet to really sign off on this, then it's not a bad venue to be delivering a message."

Manley's comments provide some measure of political cover to Harper should the deal fall through.

Though he is a former Liberal minister, he is seen as being close to Harper especially after serving as the head of the Conservative government's commission on the future of the Afghanistan mission several years ago.