

Merkel vows 'speedy' work to snag Canada-EU trade deal

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Angela Merkel says she will personally work to ensure negotiations on an ambitious Canada-E.U. trade deal come to a "speedy" conclusion.

Speaking on Parliament Hill following a morning meeting with Prime Minister Stephen Harper, the German Chancellor gave Canada the assurances on trade that the Conservative government had been hoping for.

Mr. Harper has promised to conclude negotiations before the end of the year.

Rather than using the ongoing euro crisis as an excuse for delaying the talks, the Chancellor argued that a wide-ranging agreement is just what's needed to provide an economic boost.

The Chancellor said the trade deal will probably be the broadest one that the E.U. has ever signed, and that while there are still outstanding issues related to recognizing professional qualifications, regulatory cooperation and tariffs, she will work to resolve the remaining hurdles.

"There are a number of outstanding issues out there but once I go back to Germany I will see to it that these negotiations come to a speedy conclusion because at a time when there is a lack of growth in the world, we, Canada and Germany, are convinced that free trade is one of the best engines of growth that we can have," she said.

The Chancellor is facing growing internal pressure within Germany to take a harder line on states that are not living up to promises of austerity made in exchange for past bailouts from the European Union's main creditor nations.

Ms. Merkel spoke strongly in favour of preserving the euro, stating that Germany will do "everything we can" to maintain the common currency.

Germany's advocacy of spending restraint in the euro zone is also facing populist "austerity fatigue" and there are growing calls for a new approach that is more focused on growth.

The Chancellor said Thursday that Canada's economic policy – which included stimulus during the recession followed by government-wide spending cuts – is a "tested and proven" approach that can serve as a model to others.

Both Mr. Harper and Ms. Merkel said that Canada's decision not to make new pledges to the International Monetary Fund that could be used to bail out Europe will not have any detrimental impact on the trade talks.