

Stephen Harper says he won't set artificial deadlines on European trade pact

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LONDON — Under enormous pressure to secure an overdue Canada-EU free-trade agreement, Prime Minister Stephen Harper says the actual content of the accord — “not some artificial time limit” — will drive the negotiations and his government’s trade strategy.

On the first full day of his eight-day European trip, Harper also said his government has no problem with the concept of the EU’s proposed fuel quality directive, as long as it’s objective, scientific and doesn’t unfairly punish the oilsands.

Harper said both sides have made “a lot of progress” on Canada-EU trade talks and that they will be on the agenda this week during his stops in London, Paris and Dublin, before he heads to the G8 summit at Lough Erne, Northern Ireland.

“Obviously this (trade talks) will be a big discussion this week. But obviously that said, we are not going to set a timeline or a fixed date on which we are going to have an agreement because it is essential that we be driven by the contents of the discussions,” Harper told reporters at the Canadian High Commissioner’s official residence.

“We will not arrive at an accord until such time as we think we have the best accord we can get for the Canadian people. And that will be what drives us — the contents, not some artificial time limit,” added Harper, who later had a private meeting with the Queen.

The prime minister had promised negotiations would be completed by the end of 2012, and now pressure and expectations are mounting on him to finalize a deal during his European tour. The government, however, has said that’s unlikely.

Harper and a handful of his ministers on the trip will also be trying to build support this week against the proposed European Union fuel law that, as drafted, would label the oilsands a dirtier form of crude.

Ottawa says it supports Europe's efforts to reduce greenhouse gas emissions, but maintains the fuel directive as initially proposed is a discriminatory and non-scientific approach that singles out the oilsands.

"This is a matter we've discussed before with European leaders and will continue to raise. We've been very clear: we don't have a difficulty with the concept of evaluating the various qualities of fuels, but that this simply has to be done on an objective, scientific and transparent basis, and that's our only point," Harper said.

"And, you know, I think if that is done, we have no particular reason for concern. So we just want to make sure if you're going to do an exercise like that, do it on the basis of science."

A council of EU ministers is expected to vote on the proposed fuel quality directive in the fall, after an impact assessment has been completed and released.

In the meantime, a coalition of 25 environmental and citizens' groups from Europe and Canada are supporting an anti-oilsands protest outside the British Parliament on Thursday — as Harper delivers a speech inside to MPs and members of the House of Lords. It's the first address by a Canadian prime minister to the British Parliament since 1944.

"The Canadian government's campaign of misinformation against the EU Fuel Quality Directive is particularly outrageous. They are actively trying to prevent Europe passing effective climate legislation by claiming it is arbitrary, unscientific and unfair," Suzanne Dhaliwal with the UK Tar Sands Network said in a news release.

Dhaliwal will recreate the protest of former Canadian Senate page Brigitte DePape, who was tossed out of the red chamber in 2011 during the Throne Speech after she held up a placard that said "Stop Harper."

On trade talks, a deal for a Canada-EU Comprehensive Economic and Trade Agreement (CETA) with the European Union remains elusive, with beef access into Europe and government procurement on urban transit in Canada remaining issues that must be resolved.

However, leaked documents obtained by Postmedia News show the federal government is willing to provide preferential treatment to the EU for takeovers of Canadian companies by European firms.

Canadian negotiators, according to the documents, have agreed to increase to \$1.5 billion the threshold for reviewing foreign acquisitions of Canadian firms by European companies. All EU takeovers under \$1.5 billion would not be subject to review under the Investment Canada Act to determine whether they're of "net benefit" to Canada.

The federal government's budget bill, passed this week in the House of Commons, increases the threshold for a review of foreign acquisitions from the current \$344 million to \$1 billion over the next four years.

The review threshold will remain at the current level for foreign state-owned enterprises looking to acquire Canadian companies, according to the documents.

Both sides have agreed to eliminate all industrial tariffs within seven years, saving Canadian exporters almost \$215 million annually in duty payments (based on current exchange rates) and European exporters nearly \$640 million annually.

The federal government has offered additional concessions to the Europeans on the coverage of major energy utilities, notably in Ontario and Quebec, for the procurement of goods and services, say the documents.

Canada has also agreed to provide additional market access on a number of sectors, including telecommunications — which includes foreign ownership restrictions that have recently been loosened — as well as uranium mining, postal services and insurance, according to the documents.

The two sides, however, appear to still be negotiating over

pharmaceuticals, the documents show.

Europe has been demanding stronger intellectual property (IP) protection, including a form of patent-term extensions of a few years on brand-name drugs in Canada, which would likely increase the cost of some pharmaceuticals for the provinces and consumers.

“The Europeans are getting most of what they were looking for while Canada continues to barter on beef,” said Stuart Trew with the Council of Canadians, a citizens’ group that has raised a number of concerns about the trade talks.

“I see this as Harper trading temporary, private gains for permanent, public losses.”