

The subject who is truly loyal to the Chief Magistrate will neither advise nor submit to arbitrary measures. JUNIUS

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DOHA IS DYING

Time to go bilateral

Nearly seven years after the World Trade Organization optimistically launched a new round of talks, its 152 members are making a last-ditch effort to cement a deal. The odds are against them, if only because developed and developing nations are far apart on many issues. If this attempt fails, the deal will go – in the memorable phrase of the Queen's University trade expert Robert Wolfe – “into the old negotiations home” until next summer, at the earliest, when a new American administration is in power. That's the best-case scenario: It could be years before the Doha talks are resuscitated.

For Canada, which has devoted considerable energy to this round, failure would be a great disappointment. But it would also be an opportunity to put more resources into the pursuit of bilateral pacts, particularly with the European Union, which is finally responding seriously to our tentative approaches. There is no time to lose. As the Competition Policy Review Panel's recent report emphasizes, Canada has fallen behind many other nations in clinching trade and investment deals, although much of our economy depends on exports. The panel advised Ottawa to hustle, setting deadlines, soliciting business input and publicizing benefits. The urgency is unmistakable.

Ottawa's record is sporadic. Canada has only eight free-trade agreements, including NAFTA and a recently concluded pact with

Colombia (see below). Eight negotiations are under way with such nations as Panama and the Dominican Republic. But the talks that could bring the most benefit – the ones to negotiate a trade and investment enhancement agreement with the European Union – were put on hold in May, 2006, because the Doha round was addressing many of the same issues. The EU and Canada decided to wait until the outcome of those WTO talks.

Unless a miracle happens, that outcome now appears clear. The parties are grappling with seemingly insurmountable differences in the agriculture and non-agriculture sectors, in trade in services and in the reform of the rules that govern WTO procedures, such as the determination of anti-dumping. Canadians should not hold their breath.

Meanwhile, in an important Public Policy Forum conference two months ago, experts from Canada and the EU discussed the very real possibility that an agreement between the two parties could emerge before the end of the year. A former diplomat, Marie Bernard-Meunier, pointed out that German leaders pushed for a closer relationship with Canada during their nation's EU presidency, and Nicolas Sarkozy, the President of France, intends to continue that effort at a summit in Montreal this fall. If Canada is no longer “a prisoner” of the WTO talks, she added, a treaty would be “an attainable goal.” Ottawa should get cracking.