

GLOBE EDITORIAL

# Toward a Canada-EU trade deal, sooner rather than later

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Canada now has an additional reason for bringing its trade negotiations with the European Union to a successful conclusion, sooner rather than later. Efforts are under way to launch similar negotiations between the United States and the EU, which could overshadow the proposed Comprehensive Economic and Trade Agreement between Canada and Europe, if the CETA talks drag on. As Lawrence Herman of Cassels Brock LLP puts it, there is a "downside risk that the final deal with Canada is delayed and that the EU then turns its attention to negotiations with the Americans."

David Cameron, the British Prime Minister, at the very start of his country's presidency of the G8 this year, wrote to the G8's other leaders, saying that, in trade, "the single biggest prize of all would be the beginning of negotiations on an EU-U.S. trade agreement."

The idea for the strengthened American-European economic relationship is often referred to as the Transatlantic Partnership – and the very name suggests that Canada should be involved, at least by having set the stage and established some precedents, by its own trade agreements with both the U.S. and Europe – "perhaps a valuable template," as Robert Wolfe of the School of Policy Studies at Queen's University says.

European and American civil servants have been preparing for a U.S.-EU trade round, for about a year. The task is hard enough that their report has been delayed, but President Barack Obama reportedly wants to announce this undertaking in the State of Union address on Feb. 12.

Tariffs are fairly low, except for some U.S. textiles and steel products and European agriculture. The highest hurdles are regulatory. As Arancha Gonzalez, the chief of staff of the Director-General of the World Trade Organization, recently said, the objective should be a convergence of regulatory policies – full standardization is too much to hope for, from great economic powers accustomed to impose their

own standards and policies on smaller neighbours.

Eventually, one can conceive of a merger of Nafta and a transatlantic trade agreement – a group of democracies in which Canada would not be the most populous country, but a vital linchpin.