

Warning on EU-Canada trade deal misguided: Van Loan

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A new study warning that free trade with Europe could cost Canada 28,000 jobs is a misguided ideological attack on open markets, Canadian Trade Minister Peter Van Mr. Van Loan says.

The study by Canadian Auto Workers economist Jim Stanford for the Canadian Centre for Policy Alternatives concluded that a proposed Canada-Europe free trade deal would wipe out thousand of jobs in industries such as food processing, apparel making and the auto industry, while widening an already yawning trade deficit.

Mr. Van Loan said the CAW and CCPA are ideologically opposed to free trade, even though previous agreements clearly benefitted the Canadian auto industry and Canadian workers.

"The fact is they are ideologically opposed to an agreement that hasn't even been completed yet," Mr. Van Loan told reporters in Ottawa.

"I have no difficulty dismissing that and focusing on the fact that this is a free trade deal that offers enormous upside potential for Canadian jobs."

Mr. Van Loan pointed out that the CAW also opposed the North American free-trade agreement.

"They wanted Canada to have the same share of the auto market in North American as our population," Mr. Van Loan added. "Well, guess what? Today we are 9 per cent of the North American market and we are 21 per cent of the autos that are assembled . . . They were wrong

to raise the alarm then and they are wrong again now.”

Before launching the negotiations, Canada and Europe sponsored a joint study that suggested free trade would provide a \$12-billion boost to the Canadian economy by 2014 and create thousands of jobs.

Dan Ciuriak, a former deputy chief economist at Foreign Affairs and International Trade, acknowledged that both studies have inherent weaknesses in trying to show the impact of free trade.

And he acknowledged there are adjustment costs to workers as certain sectors adapt to lower tariffs and a less protected domestic market. But labour markets eventually adjust, as they did in the case of free trade with [the United States](#), Mr. Ciuriak said.

“The correct perspective, in my view, is that there are adjustment costs, but labour markets do eventually clear,” he said.