

Canada's robust bids for trade deals

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OTTAWA — Promising bargain prices and better selection for consumers, new markets for business abroad and more jobs on the homefront, Canada has embarked on robust bid to forge free trade deals around the world.

International Trade Minister Peter Van Loan calls it an "ambitious" plan that bucks an international inclination to close shop during tough economic times. Critics warn the open-door policy could kill the struggling domestic manufacturing sector and polarize the national economy but he insists free trade will lead Canada down the path to long-term prosperity.

"I'd like us to be seen as a producer of high-quality goods that are very important parts of global supply chain; with a strong focus on innovation and our knowledge sectors of the economy where we have real strengths; as well as a leading exporter of agricultural products and resources," Van Loan told QMI Agency. "Combining Canada's traditional strengths with some of our newer strengths."

This past week, Van Loan launched a fifth round of talks with the European Union on an agreement he estimates could bring a \$12-billion boost to the Canadian economy. The Conservative government has clinched trade agreements with eight countries since taking office in 2006 and is currently pursuing deals with 50 more such as India, Morocco, Ukraine, Korea and Singapore. Negotiations are also underway to enhance three pacts inked by the previous Liberal government.

Van Loan said Canada's skilled, educated workforce makes Canada a lucrative global trading partner. While 70% of our total trade remains with the U.S., he expects diversified partners will provide Canadian exporters with new, secure markets shielded from protectionist policies.

Jayson Myers, president and CEO of Canadian Manufacturers and Exporters, agrees while the U.S. remains the best and easiest place to do business, the economic collapse and high Canadian dollar have posed new challenges. Opening doors to European and other markets should be a win-win for Canadian consumers and companies — providing businesses take proper advantage and the rules of the game are fairly and mutually followed and enforced.

Myers says diversified trade deals will help Canada compete against emerging powers.

"A lot of the major economies are turning inward and spending more time trying to protect their market than they are open their market, and I think Canada is really showing a leadership role, particular in the midst of a recession," he said. "This is the time when Canadian companies are looking more than ever before at

doing business internationally, and this is what they need to get a foot hold on those markets."

But Stuart Trew, trade campaigner with the Council of Canadians, questions the government's "mad rush" to sign bilateral trade deals. He says the Conservatives are acting without tangible assessments of anticipated results and potential impact.

Trew says NAFTA and other deals have created a growing disparity between rich and poor. He worries about the gap growing even wider - as well as the erosion of environmental and labour standards and exploitation of Canada's natural resources.

"Europe is a strong manufacturing base and the biggest economy in the world, but like China, they need resources. If they can get a guaranteed source in Canada, whether it's for uranium, oil or the resources in the north, they're going to go for it," he said. "We may get a bit better access for some products such as agricultural but the result is we're tying ourselves more and more to resources, and it doesn't seem like a very wise move."

Teresa Healy, trade expert and researcher with the Canadian Labour Congress, sees the continued potential to give up resources without defining or meeting community, social or employment objectives. Free trade agreements put investor rights ahead of democratic governance and forfeit control over resources, procurement and public services.

Healy also worries these deals will bleed more jobs from the manufacturing and industrial sectors, replaced by lower-paying, "precarious" service positions.

"They're basing their logic on philosophical tenets about what free trade is meant to do which don't have any basis in our experience," she said. "We're living through an economic crisis and the government would like to open the border even further to the kinds of dynamics that led to the crisis in the first place — that is a more deregulated, market-driven economy."