

Greece's near bankruptcy won't scuttle Canada-EU trade talks: minister

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Susanna Kelley, THE CANADIAN PRESS

TORONTO - As a nervous, recession-weary world watches to see if Greece's near bankruptcy will drag down other European countries, Canada's Conservative government is determined to forge ahead with a major free trade agreement with the European Union.

The economic contagion threatening Portugal, Italy and other countries in the region "has little to do" with the potential opportunities ongoing trade talks represent, Trade Minister Peter Van Loan told reporters Friday following a speech in Toronto.

"I view those challenges as, while important, I don't think that they have any impact on the trade talks or the potential opportunities that the trade agreement would represent," Van Loan said.

"We still want to sell our products to Greeks whether they have a big deficit or a small deficit, we want to be able to sell them across all of the European Union."

Van Loan said history has shown that free trade deals raise all boats, telling a business audience the North American Free Trade Agreement has doubled Canada's trade with the United States and tripled it with Mexico.

When asked if some EU countries such as Ireland haven't had both good and bad economic times since joining the EU's common market, Van Loan said the EU is a monetary union, not a trade agreement.

The federal government says that the Canada-EU deal, should it be successfully negotiated, would be even deeper, broader and bigger than NAFTA.

Financial services, investment, labour mobility and agricultural subsidies are all on the table, although Van Loan says the Conservatives are committed to continuing to protect supply management boards - a touch political issue for any Canadian party.

Health, environmental rules, education and social services would be excluded, he pledged.

The government would like to "align regulations to ensure the smooth, efficient flow of trade across the Atlantic," which Van Loan explained as, for example, using the same weights and measures.

Van Loan dismissed critics such as the Council of Canadians as being "on the fringe," saying previous predictions such as losing control of the country's water under other free trade agreements simply haven't happened.

And despite the massive closure of American branch plants in Canada after the original Canada-U.S. free trade deal was penned in the late 1980s, Van Loan emphasized that 4.1 million jobs have been created since the North American agreement came into force.

The government believes a free trade agreement with Europe would boost Canada's economy by \$12 billion a year by 2014, predicting benefits for the agriculture, transportation, banking and high technology sectors.

"When we talk about free trade and expanding markets, we do so because ... when businesses succeed, Canadians succeed - through jobs, prosperity and the quality of life upon which we all depend," he said.

A third round of talks on what's being called the Comprehensive Economic Trade Agreement is wrapping up this week in Ottawa.

Two more rounds are scheduled, with a view to having a final agreement in place at the end of 2011.