

In bid to tie NDP policy to ailing Europe, Conservatives leave trade deal off stage

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In an attempt to link NDP policy to faltering European economic models, the Conservatives have tended to obscure a trade deal with the EU that, according to one individual at the forefront of the negotiations, could be one of the last remaining hopes for European economic survival.

For months, the Conservatives have used Europe as a cautionary tale – a warning of how things can go disastrously astray should any policy but that of the current government's austerity be followed. In the days following the prime minister's comments to the CBC on the state of the European economy the Conservative message deepened and the rhetorical battle took another step forward.

In the minutes before question period Thursday, four Conservative MPs stood to deliver members statements, summarizing not only the dangers of a European-style economic approach, but more specifically how the NDP might turn Canada in that direction should they take power.

A day before, NDP leader Thomas Mulcair told the House that at the G20 meeting in April, Minister of Finance Jim Flaherty "led the effort to block an international plan to resolve the European economic crisis."

He was talking about the plan put forth in Washington, D.C. for G20 countries to contribute to a bailout administered by the International Monetary Fund for the eurozone. At the time, Flaherty said that Europe "had the resources to deal with its own banking and sovereign debt issues." Flaherty's opposition to give more money to the IMF was echoed at the time by US Treasury Secretary, Timothy Geithner.

Back in Ottawa Wednesday, Mulcair chided the finance minister.

“He told European countries ‘to step up to the plate’ and fix the problem on their own, as if our fate were not intimately connected to theirs,” Mulcair said. “When will the Conservatives stop lecturing European countries and put forward a real plan to protect and create jobs here in Canada?”

The Conservatives interpreted this as a suggestion that, had Mulcair been in charge, Canada would have spent “billions of Canadian tax dollars on Europe.”

Friday, the Conservatives doubled down on their criticism, as Conservative MP Pierre Poilievre offered a lesson on the ways of the European “welfare state.”

“The indulgence of one becomes the burden of another through excessive taxation. The excess of one generation becomes the yoke of the next through government borrowing,” Poilievre said.

“The profligacy of one nation becomes the hardship of another through international bailout. Everybody takes, nobody makes, work does not pay, indulgence does not cost, money is free and money is worthless.”

Such, he said, is the “euro welfare state that has led nine euro currency countries to be downgraded... However, no worry. The NDP wants Canadian taxpayers to come to the rescue with a multibillion-dollar international bailout. The NDP’s policies have led to the kinds of consequences we see in Europe.”

All of which sounds pretty scary. But the private sector’s point man on Canada’s trade negotiations with the EU offered some insight into why Canada is still working on a deal with the supposed basket-case continent.

Jason Langrish is the executive director at the Canada Europe

Roundtable for Business. He told iPolitics he thinks a contribution to an IMF bailout from Canada “is certainly not going to be the difference between there being and not being a collapse.” Europe, he said, still has the capacity to right itself, though “it’s getting closer to the margins.”

But in the face of impending gloom and doom, things like trade deals might be the only thing left to do, Langrish said.

“The whole reason Europe is doing these agreements, is because there’s no growth left in the internal market. Their companies are tapped out,” he said.

For companies in Europe watching the current trauma unfold, “what’s your argument going to be? Stop the free trade deals with Canada and other countries? No. It’s going to be the opposite. It’s going to be like, get those damn things done because this is all we have now. If anything, all this just plays into the agreement.”

For Langrish, the argument that’s worth making for Canada and the EU is that “this is where governments perceive growth as coming from. This is it.”

“We’re [liberalizing] trade, getting rid of regulatory barriers, and keeping money cheap,” he said. “If you take any of these things away, there is zero growth right now. That is what is keeping the economy from falling on its knees.”