Merkel, Harper talk trade, resources

BY <u>JESSICA MURPHY</u>, THURSDAY, AUGUST 16, 2012

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OTTAWA - Prime Minister Stephen Harper has gotten German Chancellor Angela Merkel on side to push for a speedy conclusion of Canada-EU free trade talks.

The prime minister made it clear that wrapping the negotiations on the ambitious deal - estimated to add \$12 billion to Canada's GDP annually - is a priority and wants Merkel to use her influence to pressure her European counterparts on the agreement.

Speaking at a joint news conference in Ottawa on Thursday, Merkel said: "At a time when there is lack of growth in the world, we - Canada and Germany - are convinced free trade is one of the best engines of growth."

The chancellor, in Ottawa for an official visit, added she would push her counterparts to meet the deadline of concluding talks by the end of the year.

Also on the agenda was natural resources, with Merkel noting that Canada was among the world's top suppliers.

"In the next decades to come we trust that we will co-operate very closely in this particular area, that we will embark on a joint path of extracting these raw materials," she said.

Publicly, Harper and Merkel refrained from commenting on contentious issues, with Harper staying mum on Europe's handling of the debt crisis and Merkel skating around Canada's decision not to contribute to the International Monetary Fund's bailout pot for the Euro zone.

Harper said the relationship between the two isn't at risk over the disagreement and they were focused on boosting their respective economies.

"We both need to increase our trade and growth," he said.

Earlier Thursday, the two met for a formal tete-a-tete in Harper's Parliament Hill office.

Canada and the United States have refused to pitch in to the IMF bailout fund, with Ottawa saying Europe is wealthy enough to solve its own problems.

Merkel arrived in Ottawa on Wednesday afternoon and had an informal dinner with Harper at his Harrington Lake cottage in Gatineau, Que.

Over a meal of locally farmed elk, the two leaders had what was described by the prime minister's office as "warm and productive discussion" over three hours on the global economy and security.

The two leaders have met before on the sidelines of high-level summits, but this is Merkel's first bilateral visit to Canada.

Former chancellor Gerhard Schroder was the last German leader to come to Canada for a bilateral visit, in 2002.