

THE YEAR AHEAD

Border deal just part of agenda in 'make or break' year

The Harper government wants a legacy based on trade accomplishments, and 2013 looks like the pivotal year in reaching that goal



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Few paid any attention on Friday to the one-year report card on the new Canada-U.S. border agreement. The terrible shootings at Newtown understandably shoved everything else aside.

That report shows the Harper government and the Obama administration still struggling to fulfill the promise of the Beyond the Border agreement on travel, trade and security.

Trade is the issue on which the Conservatives want to be judged. (They certainly prefer it to mili-

tary procurement.) And 2013 is shaping up as the pivotal year in casting that judgment.

The Harper government will either open Canada more fully to the world, or we'll simply muddle along. In this economic environment, muddling along simply won't do.

Among other things, rules are now in place so that passengers with cross-border connections no longer have to check their baggage twice, and there is the pilot project that permits imports bound for the U.S. market to be examined in Prince Rupert, B.C., and then shipped south with no further inspections on the principle of "cleared once, accepted twice."

But John Manley, the former foreign minister who now heads the Canadian Council of Chief Executives, observed that "the two governments are still negotiating the terms of a comprehensive preclearance system for land, rail

and marine cargo even though that plan was supposed to be finalized," by this month.

He wants both sides to put their back into accelerating and expanding a continental inspection regime.

Not fair, responded David Jacobson, the U.S. ambassador to Canada.

"The overwhelming majority of what we said we were going to do, we did, and for the ones that aren't on schedule, there were good and valid reasons why they didn't get done," Mr. Jacobson told The Globe's Paul Koring.

But making progress on thinning the Canada-U.S. border is only one aspect of an agenda that will make 2013 a "make or break year," said Colin Robinson, the former diplomat who now studies and writes on trade issues.

The Harper government is also supposed to be in the very last stages of concluding a compre-

hensive trade agreement with the European Union. The final issues — on agriculture exports and intellectual property protections — are proving to be the most difficult. If a deal is to be done, 'twere well it were done quickly, for the Europeans and Americans are now looking to negotiate an agreement, and once those talks are started, the Europeans will focus on nothing else.

Canada is finally part of the even more ambitious Trans Pacific Partnership talks, which would create a new free-trade sphere that would link nations in North and South America, the Pacific and Asia. An accord will be reached in 2013, or not at all. And Canada and India have committed to concluding a free-trade agreement in 2013.

The Conservatives face plenty of resistance to their trade agenda. For every action to make it easier and cheaper to send goods across the Canada-U.S. bor-

der, there's the reaction of a Congress or an administration looking for new fees and charges to help offset the chronic budget deficit.

Powerful lobbies continue to press for agricultural, pharmaceutical and other protections, which complicate trade agreements.

Still, the Conservatives are trying. As Mr. Robertson observes, the report card can point to an increased willingness on the part of Canadian and U.S. officials to harmonize safety and other regulations, so that products manufactured in one country can be sold in both.

If the Harper government can continue to make progress on the Canada-U.S. border, conclude a trade deal with Europe, another with India, and maybe be part of a Trans Pacific agreement, that will make 2013 a good year.

It might get people's minds off those F-35 jets.