



Prime Minister Stephen Harper and EU President José Manuel Barroso at the signing ceremony of the Canada-EU Trade Agreement in Brussels on October 18. It was a “clear personal victory” for Harper, write Mike Coates and Jack Hughes. PMO photo

Harper and the Canada-EU Trade Deal: An Understated Personal Victory

Mike Coates and Jack Hughes

The Comprehensive Economic and Trade Agreement between Canada and the European Union is the product of a massive effort by a legion of public servants. And when its conclusion was announced in Brussels in mid-October, Stephen Harper was careful to credit them. But without the personal involvement of Harper himself, through doubts and delays, the deal would never have been done.

It will take some time to fully realize the economic benefits of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), but the political benefits should accrue almost immediately. The successful negotiation of the most important trade agreement since NAFTA has not only provided the Conservative government with a clear political victory, it has given Prime Minister Stephen Harper a clear personal victory.

The story of how CETA came to pass has many chapters, each detailing a different aspect of the various forces which crossed the Atlantic and brought Canada closer to Europe. We leave to others the task of analyzing the economics of the deal itself,

and have instead elected to focus on Harper and his role as chief strategist—an important story that risks being ignored amidst the maelstrom of the current parliamentary session.

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When he announced that CETA had been concluded in Brussels in mid-October, the Prime Minister rightly acknowledged the legion of public servants who made the deal possible, including but certainly not limited to our chief negotiator and the minister of international trade. But for their collective Herculean efforts, the deal would never have come to fruition. Yet, in this as in all things, Stephen Harper remains *primus inter pares*.

While he came to office as a strong proponent of expanding the Canada-US trade relationship, the economic meltdown of 2008 proved to be an important catalyst for the government's trade agenda. The PM was among the first to recognize that it was vital for Canada to diversify its trade portfolio in an effort to reduce our overdependence on the United States, particularly at a time when American economic prospects looked bleak.

Harper initiated the EU trade talks, bet heavily on them, and ultimately went all in. The Prime Minister is not one for betting on long shots, or for banking on initiatives that require the approval and cooperation of others, but he felt he had a strong hand and that betting big was the best and surest way to win. While history has proven that he bet wisely, it must be acknowledged that CETA was neither a sure bet nor a safe one.

In the latter half of 2008 and the first half of 2009, the crucial period when the Harper government sought to embark on CETA negotiations, the idea of an ambitious trade agen-

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da was hardly common. The World Trade Organization's Doha Round negotiations had faltered and the global economic downturn was reviving protectionist instincts around the world. Even our most trusted trading partner was tying stimulus funding to "Buy American" conditions.

Although the question of Canada's openness to trade liberalization had been largely decided 20 years earlier, during the seminal "free trade election" of 1988, the environment and appetite for boldly ambitious trade agendas was poor. Had the CETA negotiations failed, or if the subsequently initiated EU-US talks had concluded before ours, the prime minister would have been personally criticized and a central pillar of his agenda would have crumbled.

For close to five years, Harper put his trade strategy at the heart of his economic plan and CETA at the heart of his trade strategy—and he did not do so timidly. The 2011 Speech from the Throne expressly committed the government to concluding the deal by the end of 2012. Even late last year, when that self-imposed deadline became clearly improbable, Harper never wavered from his personal commitment to concluding the talks as soon as possible.

At the World Economic Forum in New Delhi last November, Harper reiterated that trade—including free trade with Europe—was one of his government's so-called five "T" policy priorities. Yet, as the months passed, the chorus of critics grew. Either emboldened or distressed by the government's perceived inability to conclude a deal, there were many alarmists who began to question whether the government had missed its chance.

Instead, as the events of the past month have proven, the prime min-

ister's patience was rewarded and his credentials as the leader best able to guide Canada's economic recovery have only solidified. With the exception of cheese producers and a handful of half-hearted NDP critics, there are no serious opponents of the deal anymore. There is instead widespread support from a wide array of stakeholders from every region of the country. And the provinces and territories are unanimously onside.

The broad national appeal was by design, not by default. The degree to which various provincial and territorial governments, of all political stripes, were involved in these negotiations was unprecedented. Not only did the federal government have to satisfy the nations of Europe, it had to build a solid consensus among provincial governments here at home—a challenge which added another layer of complexity onto an already complicated deal.

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At the time of writing, the CETA agreement in principle appears to have the support of the Liberal premiers of British Columbia, Ontario, P.E.I., and Nova Scotia; the conservative premiers of Newfoundland, New Brunswick, Saskatchewan, and Alber-

