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THE WALL STREET JOURNAL

WSJ.com

REVIEW & OUTLOOK | OCTOBER 20, 2008

Nafta-Plus

Canada looks to Europe in anticipation of Obama protectionism.

Barack Obama's promise to unilaterally rewrite the North American Free Trade Agreement if Canada and Mexico won't go along with his ideas on labor and the environment has not gone unnoticed in Ottawa. If Canadians are going to have a tougher time selling their goods and services south of the border, who can blame them for looking east -- across the Atlantic to Europe.

Prime Minister Stephen Harper and President Nicolas Sarkozy of France signed an agreement Friday to begin negotiations for a free trade pact between Canada and the European Union. A Canada-EU study released last week outlines the joint economic benefits of such a partnership, with two-way trade estimated to increase 22.9% by 2014.

The proposed partnership goes a lot further than Nafta. In addition to allowing free trade in goods and services, it would harmonize regulations, open up the air-travel market, and boost opportunities in government-procurement. Most important, it would free the labor market so that skilled workers could move easily back and forth across the Atlantic.

The free-labor point is key. As recently as half a century ago, Canadians and Americans were pretty much free to work in either country without the visa restrictions that apply today. Under the proposed Canada-EU agreement, a computer geek from, say, the University of Waterloo -- one of whose alumni developed the BlackBerry -- would be able to take a job in Hamburg or Dublin if he wished; forget about Silicon Valley.

At a news conference on Friday, Mr. Harper said, "We must stand against protectionism and work to lower and eliminate barriers." If Canada and the EU are successful in liberating their economic relationship, we have a question: Can the U.S. join too?

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