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Chair

Mr. Bernard Patry

Standing Committee on Foreign Affairs and International Trade

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● (0910)

[*English*]

The Chair (Mr. Bernard Patry (Pierrefonds—Dollard, Lib.)): Good morning, everyone. Our order of the day, pursuant to Standing Order 108(2, is a study of the international policy statement. Welcome to this hearing of the Standing Committee on Foreign Affairs and International Trade.

As you know, last April the government released its first international policy statement. The committee has been holding hearings on the statement since then, both in Ottawa and now across the country. We have also opened an e-consultation on this subject, which you can find on our website. Once we have finished our hearings and the e-consultation in December, we will prepare a report with recommendations for government policy that we hope to table early in the new year.

We have the pleasure this morning to have, from the University of Toronto, Professor Stephen Clarkson, and also Professor Robert Austin of the Centre for European, Russian, and Eurasian Studies.

We will start with the opening statement by Mr. Austin, please.

Mr. Robert Austin (Professor, European, Russian and Eurasian Studies, University of Toronto):

Good morning, everybody.

First of all, thank you very much for an opportunity to speak to the committee. It's also very nice to meet Professor Clarkson, who works at the same university as I do. We've never actually met. That should give you an idea of the size of the University of Toronto. But his name is well known to a young scholar like me.

When I heard from the committee, they suggested I speak for about five minutes, which is perfect. I was trying to think yesterday and the day before about what I wanted to say. I have a number of interactions with Canadian foreign policy. I'm a specialist on the Balkans by training, so I work primarily in Albania, Kosovo, and Macedonia.

I will say at the outset that I am a bit disappointed with Canada's role in the Balkans, since we started out as such wonderful peacekeepers there, in Bosnia, and in our role in NATO intervention in Kosovo in 1999. We have diminished our presence in those countries. As you know, we've closed our offices in Tirana, we've closed our office in Skopje, Macedonia, we've closed our office recently in Prishtina, and we don't maintain an embassy in Bulgaria, which is a NATO country. I think we're probably one of the only NATO countries that doesn't have at least a mission.

That's my statement in terms of personal interests. What I thought I'd mention to the committee is something that's very dear to my heart and dear to my centre's heart, which is youth involvement in foreign policy. Since I joined the University of Toronto, my goal has been to internationalize as much as possible our centre's activities, and more broadly the University of Toronto as a big institution and one that perceives itself to be the best institution in Canada and likes to compare itself with the big ten United States institutions.

When I came to the University of Toronto in 1997, I didn't find it that internationalized, in fact—especially in our centre, which had very few programs that got students abroad. Since then, we have increased our activity, and one of the principal agencies that has helped us do that has been what was then the Department of Foreign Affairs and International Trade and is now, of course, Foreign Affairs Canada and International Trade Canada.

The first thing I want to mention is that I think any foreign policy review should place a profound underlining on the impact of student exchange, and when I say “student exchange” I mean both ways, which is students coming to Canada and, vice versa, Canadian students going out. Exchange is to me foreign policy on the cheap, by the way, and I know Canada is very cautious about how it spends money, in Foreign Affairs especially. I found that the amount of money that's needed to move students abroad and bring students in is very small.

What we need from Foreign Affairs especially is.... We don't need money; I'm not coming here to ask for money. I don't want to give a presentation that says we need money.

What we need is help in facilitation. This is an area where we're encountering a lot of difficulties. I know this isn't a Foreign Affairs problem; it comes from Immigration Canada. We encounter huge difficulties in visas. As you know, since the United States has adapted or readapted its immigration and visitor visa problem, Canada is in a really good position to take young people. We are now, as far as I can tell, the preferred destination, along with the United Kingdom, as a place to do an exchange. The society we have here makes us ideal for that.

That would be my first point, that we can do a lot more to make exchange really a commodity. The United Kingdom does that. The United Kingdom views students coming in and out as, in fact, part of its trade, because when students come, they're spending money there, they're staying there, and they're generating a lot of goodwill. It's become a cliché now, but students interacting is an incredible builder of relationships, and it mirrors very closely what is said in the foreign policy statement about projecting Canadian values abroad. I can't think of a better, more affordable way to do it than in moving young people around.

As I was saying to James Lee before, Canadian students have become a lot less parochial than they were 10 years ago. I think there was a parochialness in Canadian institutions about getting out there, going abroad, doing internships. That has changed. Students now, by and large, are concerned with foreign policy issues.

The next thing I wanted to mention is that since 1997, my centre has implemented what started out as a youth international internship program under the rubric of Foreign Affairs and International Trade and is now Young Professionals International, still under the rubric of Foreign Affairs Canada and International Trade Canada. I cannot stress enough how valuable this project has been to us as a centre, in terms of expanding our activities. We work exclusively with Canadian businesses operating in Europe, eastern Europe, and southeastern Europe.

● (0915)

We have sent now 200 students off to career-related international placements since 1997, and again, talk about foreign policy on the cheap—we give them $12,000, and they go for six to eight months; it's considered a break-even prospect. We have transplanted literally hundreds of young Canadians into international career opportunities abroad.

We have, I would say, really changed the nature of our workforce, because the job market is so difficult. One thing we often lose sight of is that if you graduated in the 1950s—I don't want to say it was easy to get a job, but it was certainly easier, and I think that would be true in the 1960s. I don't know when the cutoff line is, but for young people now to land a career is very difficult and takes a lot of time. I think it's important within a globalized marketplace for us to provide the opportunities for our young people to get international starts to their careers at very low cost. Foreign Affairs has been exceptional in providing the resources, through Human Resources Development Canada, in getting these young people abroad, and as I said, about half of our 200 people have stayed in the region. Someone once asked me if that wasn't a brain drain. That is certainly not a brain drain; that is 100 young Canadians who have launched careers in the region, represent Canada, and continue to develop ties with Canada, whether they be academic, cultural, or commercial.

The third dimension I wanted to stress is the launch of the Canada Corps, which to me has yet to be explained in a proper way. I've asked people to come—

The Chair: I had a briefing and I don't know what it is. I had a briefing, and it's difficult, believe me.

Mr. Robert Austin: We had someone come from AUCC, the Association of Universities and Colleges of Canada, to give us a briefing on it, and I'm no further ahead. My students are not further ahead.

I will say that our centre does have a Canada Corps university partnership program that we deliver in the Balkans. It deals with university governance in Kosovo. It links five Canadian students, undergraduate and graduate, with eight students in Kosovo to develop a strategy to reform the student governance structure at the University of Prishtina, which is really quite moribund. We're trying to develop ways to integrate those students into the decision-making structure at their university, which is common at our institutions.

I think the Canada Corps is a wonderful project. I highlight it because we are delivering a project that involves 14 students for a total budget—including airfare, food, and ground transportation—of about $37,000, and that includes multiple trips to the region. It includes moving the Kosovo students back and forth, and we just concluded a workshop in Montenegro with both teams, the teams from Kosovo and from Canada. I've never had a better feeling about seeing 15 young people get together and develop a project. It's their project. I manage it, but I don't interfere in it. I think these types of small initiatives—I'm a big fan of small initiatives. If I look at all the projects I've done since I came to the University of Toronto, they are small dollars, but I'm certain we've done a lot with those small dollars.

Again, our goal is to get as many students out in the region as possible. As Canadian foreign policy has changed and our presence has diminished—and I assert that our presence has diminished considerably in Europe—if a student is studying, for example, Romania or Romania-Bulgaria, I've found in the past five years that the job for that person is in the region now; it's not in Canada. This is an issue we have to confront: Canada does not need a dozen Romania specialists, but we do have a need for people who can navigate Romania in terms of the political situation, the economic situation, etc. What I'm doing now is trying to train people so that they can launch good careers in the region. Again, that strengthens Canada's presence in the region.

I would conclude on those remarks. I hope that was five minutes. Was it?

The Chair: That's fine. It's no problem. It's between us. I don't have any clock this morning. Thank you, Professor Austin.

Professor Clarkson is next, please.

[*Translation*]

Mr. Stephen Clarkson (Professor , Political Science, University of Toronto):

Thank you, Mr. Chairman. I think that your committee should once again turn its attention to exploring important issues, especially given that, under the stewardship of the former chairman, Mr. Graham, this committee used to produce thorough and well-written studies on topical subjects. As the committee's current chairman may well be promoted to cabinet, I think I should address you as the future Minister Patry.

[*English*]

The Chair: Professor Clarkson, once I met my Prime Minister and I told him Mr. Graham was a chair for six years and became minister, and Ms. Augustine was chair for six months and she became minister; I was chair for six days and nothing happened. I told that to Mr. Martin.

● (0920)

[*Translation*]

Mr. Stephen Clarkson: What strikes me about this report is that it is poorly written, and in terms of continuity, astonishingly poorly structured.

The subject which I would like to address is North America, the focus of my current research. I will make reference to the paper on trade, as I only have five minutes.

[*English*]

"A Role of Pride and Influence in the World: Commerce". Style isn't everything, but if a document is badly written, it says something. This isn't an attack on anyone in the room, but I'm just making a comment about the document, which has been produced after so much time and spin and everything. It really reads badly, and it reads like a party campaign document full of motherhood phrases that really don't mean anything.

I think you have a copy of my text. One is: "Foreign Affairs will pursue a new, more flexible and effective multilateralism with Africans to achieve common goals". It's full of these sentences that absolutely have no sense, and they obscure rather than clarify. This doesn't help people like me who are trying to respond to what it actually has to say. And there are all these bullets on every other page, which actually I find confuse rather than clarify.

In any case, enough. I've got my spleen out about the way it's written.

Much more important in this particular document, and also true, is that there are a lot of statements that are actually wrong. There are contradictions in here and they're disguised important statements, which I think need to be taken seriously by the committee, on disinformation. On page 2 of my text or page 3 of the commerce document:

> The NAFTA commission, the 32 formal working groups, various informal groups, and regular three-way meetings of leaders and ministers are aimed at ensuring the long-term effectiveness of NAFTA as an instrument to manage North American commerce and improve continental competitiveness.

Well, of course, it sounds wonderful, but the fact is there's no NAFTA commission. There's no commission with an address, a building, even an office. It doesn't meet, and if one read this, you'd think that we had continental governance, which happens to be what I'm working on.

On the 32 formal working groups, to give you an example, I had two students working for a whole year trying to find out about them. It was extremely difficult, and it turns out that only one or two even exist. Most are completely dead. One or two worked for a while and then were closed down because they did what they were meant to do.

On the three-way meetings of the heads of government, it's amazing actually to think that, given all the attention spent on NAFTA, the three heads of government don't meet regularly. They didn't even meet after September 11, 2001, when the borders were blockaded, which put the whole notion of NAFTA in jeopardy.

And then there's an instrument to manage North American commerce.

I'm saying these negative things because there's obviously a positive implication that the report might well deal with, on the need to do something about the weak governance in North America. But as an instrument to manage North American commerce, NAFTA is patently ineffective. There's no institutional capacity to deal with the problem other than the three governments negotiating some new agreement, which is a very heavy, complex, and difficult system, because it requires then the legislatures of the three countries to agree. It has no way to adapt rules to changing conditions.

So that's one example of a serious problem analytically with this report. And just to dot the "i" on that, the visit of Secretary of State, Condoleezza Rice—was it not two weeks ago?—showed how lacking the North American system is in any kind of governance capacity, because all she did was come up and stonewall for the President.

This is not to say more serious, but I think there's a very important issue on page 9 of that commerce document. It talks about regulatory harmonization. It's a smart borders paragraph. I haven't got a lot to say because I'm trying to keep this short, but I'd just like to read it to you to make the point:

> Smart Regulation. In today's world, regulation is a significant competitive advantage and a key instrument for achieving our social, environmental and economic objectives; the Government's *Smart Regulation: Report on Actions and Plans of March 2005* sets out how it will pursue these objectives, implement the recommendations of the External Advisory Committee on Smart Regulations, and, by internalizing a global perspective, eliminate the differences that make no difference.

● (0925)

Well, as I see it, there's a very major issue here. Now, one can like it or not like it, but it's important to point out that this is the agenda of the Conference Board and the Council of Canadian Chief Executives, which have been pushing this and which successfully achieved their objectives in the March trilateral meeting in Waco, Texas, with President Bush and President Fox.

So there has been some process. I'm not trying to say this is a plot against the public, because this has gone through a process, and now the security and prosperity partnership is producing reports regularly.

The premise is that regulatory harmonization, which is meant to make commerce freer and improve competitiveness, is really a code for outsourcing Canadian government responsibilities to the United States, because there's no way that Canada is going to change the regulation to harmonize it with North American standards, other than accept American standards. And when we're eliminating differences that make no difference, I think I would urge the committee to take this on just to unpack what it means, because what may make no difference to the Americans might make a lot of difference to us, like gun control issues, or the regulations of the Food and Drug Administration compared to health regulations in Canada. It means we're likely to accept regulations that are the result of information provided by big pharma for drugs that have been developed to deal with social problems in the United States like erectile problems of old men, but are not regulations dealing with drugs that we're interested in for a public health system, which needs low-cost, preferably generic, drug production.

That's just one example. Regulation covers all aspects of government, but I want to point out that in that little paragraph there's a huge governance project for North America. So in a sense, I'm contradicting myself because I'm saying on the one hand that there is a wonderful government system, which doesn't exist, but on the other, this is the introduction of a major project of North American governments that we, the public, don't understand because its implications are huge and the process is stealthy. That's not to say it's being concealed, because it has been announced, but it's very difficult for us, the public, unless we are actually the civil servant who's rewriting a regulation, to know what the impact on us is.

I think that is a very important paragraph, but I think it's dynamite.

Maybe I'll just close on one more criticism and then turn to what I've proposed in a positive way.

The criticism is a contradiction, and it's an important stylistic but also substantive problem. On page 1 of this report it says: “We are a world leader in innovation, having invested aggressively in research and development (R&D)”. Compare that with page 9: “Canada ranks 12th among the countries of the OECD in its ratio of R&D spending to GDP”. There's a significant contradiction there, and I think it could be dealt with.

Just to end up on a positive note, and it has to do with Mexico because we're talking about North America, Mexico is dealt with in a number of places in the international policy statement, and I think it's addressed fairly, it's recognized, but I think it's basically marginalized at the same time. It's dealt with that we have a bilateral relationship with Mexico, and I think the committee would do well, because it has this important research capacity personified by Mr. Lee and Mr. Schmitz, to go back to its previous reports, where it has dealt with the Mexico connection. It has dealt with it in terms of something that is now part of Canada and of the way the United States is, although obviously not in as big a dimension.

● (0930)

If the Government of Canada is going to try to prioritize its scattergun approach to international relations, I think Mexico is a prime candidate for concentration. Of course, every east European person thinks we should concentrate on east Europe. I realize that's a difficult circle to square, but Mexico is us now. If Ontario exports tomatoes, it's because we have a third world labour component imported every year, for eight months a year. Mexicans come to work in Leamington; without them, we would not be continentally competitive in tomato production.

We have a relationship with Mexico that needs to be enormously expanded for many reasons. It is a third world country and so, morally speaking, deserves aid, but it's part of us in North America now, through NAFTA, and if we want to increase our pride and influence in Washington, I think we need the Mexicans, because Canada is getting weaker. Our influence is declining. Our GNP as a proportion of global GNP is declining. We're declining as a site for foreign investment. I don't want to paint a picture of gloom and doom, but the rest of the world is growing faster than we are. We're becoming smaller. Mexico ultimately is going to be much bigger than we are; it already has a population of 100 million. If they do manage to deal with the increasing and shockingly serious poverty and unemployment problems in part created by NAFTA, they are going to be a partner we will need in dealing with the United States.

To conclude, Mr. Chairman, I think that in addressing the North America part of this policy statement, the committee should propose a much more integrated approach to Mexico, dealing with it not just as another country, but as something now very much central to our well-being.

Thanks very much.

The Chair: Merci beaucoup. Thank you very much, Professor Clarkson.

When we did the study concerning NAFTA, you appeared in front of the committee. One of the recommendations was that the leaders, the prime minister and the presidents from Mexico and the United States, meet at least once a year. That was one of the recommendations. We're meeting twice a year with the EU, and we don't even meet once a year with our counterparts in America.

You also have a recommendation of annual border summits and you recommend a cabinet committee on North America. You recommend more consulates in the U.S. They accept this a little bit, but it takes a lot of time.

I'm glad you said that today. Yesterday Ambassador Gotlieb said that globalization is America. I think it should include Mexico, seeing that America is not just the United States, if you want to pinpoint it like this.

We'll start questions with Madame Lalonde, *s'il vous plaît*.

[*Translation*]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Thank you, Mr. Chairman.

Thank you very much to both of our witnesses. This is a very interesting and stimulating debate to be having so early in the morning.

Mr. Clarkson, to my mind, the comments which you made at the end of your presentation were very important, as you go further than we did in our report on NAFTA.

You dared to say what several stakeholders in Mexico, and even in Canada, have hinted: Canada expends a great deal of energy, yet often reaps little benefit, in an effort to ensure its presence in the mind's eye of the United States.

● (0935)

Mr. Stephen Clarkson: Yes.

Ms. Francine Lalonde: We have witnessed a refusal on the part of Canada to recognize the importance of Mexico, and we have seen Canada display a jealous protectiveness of what was once, and what Canada hoped would remain, a bilateral, and not a trilateral, relationship with the United States. As members of Parliament, we have had some very interesting debates on this subject. Mexico is said to be a developing power, which is gaining strength. During our time in Mexico, we realized that while some Mexican companies are small and have to make due with limited resources, there are also some very large companies. Mexico also boasts a high student population. Indeed, Mexico could overtake Canada, and so Canada should not rest on its laurels. Quebec and Canadian companies cannot claim to be from a developed country and...

There is also the fact that it is clearly difficult to gain the attention of the United States. Obviously, the reasons for which Mexico attracts the attention of the United States are very different from the factors which have shaped the relationship between the US and Canada. I was very inspired by what you said, Mr. Clarkson.

In your view, how could we convince the business community and politicians to strengthen ties between Canada and Mexico, in an effort to change the dynamic between Mexico, the US and Canada?

Mr. Austin, you began by saying that you were disappointed, amongst other things, by Canada's reduced role in Kosovo. This is a question which is of interest to me, as I went to Pristina with Minister Axworthy and saw firsthand the work being carried out by Canadian servicemen and women. For the first time ever, I saw servicemen and women rebuilding schools, repairing roofs, and carrying out plumbing work on top of their normal duties. I saw all of the benefits of Canada's presence in the region. Unfortunately, I have been unable to follow recent developments, and I would like to know what you feel are the consequences of Canada's "absence" from Kosovo.

The Chair: Mr. Clarkson.

Mr. Stephen Clarkson: Thank you for your question, Ms. Lalonde.

I do not have a magic solution for changing the way in which we approach our relationship with Mexico; however, I have noticed that there has indeed been a change. For example, I pointed out to Mr. d'Aquino, the President and CEO of the Canadian Council of Chief Executives, that his latest initiative involved a trilateral approach. The former ambassador Andres Rozenthal...

● (0940)

Ms. Francine Lalonde: Yes, I know him well.

Mr. Stephen Clarkson: I am sure that you have had the opportunity to speak with him.

Mr. Rozenthal has just established his own country's equivalent of the Canadian Institute of International Affairs. This organization, the Council on Foreign Relations and the CIIA in Canada have formed an alliance, a coalition. They came up with proposals which their government accepted.

I think that the elite of Canada's business community has come to understand that Canada was mistaken in strengthening ties with the US in the aftermath of September 11, as if Mexico did not exist.

The business community has come to understand that a trilateral approach is the best way forward, because what you said is true, especially under the Bush administration. Given that he was the governor of Texas, the notion of abroad is synonymous with Mexico in Mr. Bush's mind. Even more importantly, there are between 4 and 6 million Mexicans in the United States whose children are American citizens, but who themselves are illegal aliens, as well as 5, 6, even 10 million Mexicans who have legal status in the US. Together, they carry far more political weight than Wayne Gretzky or somebody like Galbraith.

Canada's presence in the United States is invisible, while Mexico's presence in the American political system is both visible and sizable. Furthermore, the Mexican government has developed the means to use this power. It introduced *Matricula Consular* cards to legitimize the status of illegal Mexican aliens in the United States.

This important subject is extremely interesting, and I get the impression that Mexico now has more power than we do in Washington.

I recently spent three winters at our embassy in Washington, where I had the opportunity to converse with our diplomats. They purported to be willing to cooperate with Mexico, but wanted to maintain our special relationship with Uncle Sam. They still speak about NATO and our role in the Second World War. Their focus is on strengthening the relationship of yesteryear.

How can that be changed? I do not have the answer.

I teach classes on Canadian-American relations, but nowadays I speak about Canadian-American-Mexican relations. I have had to learn Spanish for my research, because Spanish is now part of my work. I am a specialist, and I believe that teaching should be focused on this approach.

Furthermore, it is important to encourage immigration. One of my students received a letter from Citizenship and Immigration Canada telling her that she had to leave the country on the same day that she was awarded her masters in comparative literature. She was trying to emigrate to Canada and had started working illegally three hours a week. She has been waiting in Mexico for the past six or seven months, and has just been told that she will have to write another English exam, even though she has a strong command of the language.

We do nothing to facilitate the participation of Mexican immigrants in our society. Immigrants from elsewhere in the world have an easier time coming to Canada. This is something that needs to be addressed.

[*English*]

The Chair: Thank you.

Mr. Austin, would you address Madame Lalonde's question?.

Mr. Robert Austin: Yes, and thank you very much for your question.

Unfortunately, I was also in Prishtina in 1999. For Canada it was a very interesting time, after what had happened throughout 1998 and 1999. In the five years that we kept an office there, it was very interesting.

We had a really profound influence in Kosovo, because in the Balkans, Canadians are considered unbiased arbiters of a very complicated situation. I recall that we had an office headed by Sean Barber, who ended up being the longest-serving diplomat in Kosovo when he left, which I think was in 2003. He really became the spokesperson for the international community when it acted outside the United Nations mission in Kosovo. There was a lot of conflict between the United Nations and the international community when it was acting as single entities as opposed to a unified body.

The question was on consequences, correct? Unfortunately, we cannot restore influence in Kosovo right now. That's a shame, because we spent a lot of money in Kosovo. I recall a figure of about $120 million, and I don't think that included the cost of the NATO intervention. I think a lot of that was primarily through the Canadian International Development Agency, but in the Balkans it's important, since that region has the last outstanding conflict in continental Europe.

The year 2006, which is fast upon us, is going to be a critical year for the Balkans. Two issues remain to be solved. One is Kosovo; the other is Montenegro. Montenegro is due to have a referendum, probably at the end of March or in early April of 2006. It is going to be a very hard year for Serbia, and without a democratic Serbia, there is no future in the Balkans; Serbia is really the linchpin of the whole thing.

I think the time is now upon us as Canadians to get involved there again. By the way, the United States did get involved again. The United States walked away a little bit from the Balkan crisis to deal with other things. Statements from the United States suggest they are going to get re-engaged.

I think it would make sense for Canada, in a modest way, to get re-engaged, because I don't foresee any additional conflict in south-eastern Europe. I don't rule it out entirely, because if Kosovo becomes independent, which I expect to happen in 2006, there is going to be the need for a profound international presence over the long term. If Montenegro goes independent in 2006, which I also anticipate, it will be two very tough blows for Serbia.

As we know, Serbia, although it's made some gains, is a very divided society. It still feels a profound influence from very radical politicians. One has to keep in mind that the Serbian Radical Party, whose leader is in The Hague, has about 40% of the vote. I'm speculating wildly right now, but people who long for the good old days of Milosevic, who idolize war criminals like Radovan Karadzic or Ratko Mladic, are very dominant in that society.

I'm amazed how small a role Canada has played there, given how much we put in at the beginning. It really strikes me as inconsistent. The one question I hear from people over there, and I'm there quite often, is this: What happened to you people? You came, you lectured, you moralized, you were critical at the beginning—and then you disappeared. We really were poised to....

These are small places. A country like Canada, which, as Professor Clarkson mentioned, has seen its influence decline, carries a lot of weight in those little countries, and we still do. I think that's something we should leverage, especially in 2006.

● (0945)

The Chair: Thank you.

We will go to Ms. Phinney.

Ms. Beth Phinney (Hamilton Mountain, Lib.): Thank you very much for coming today, especially so early in the morning—at least, it seems early in the morning.

I'd like to ask Mr. Clarkson if he is prepared to talk a little bit about the United Nations and its future. Also, how do you see the G-20 in the whole picture of international politics?

Mr. Stephen Clarkson: Thanks very much.

I presume you mean the United Nations and Canada's role in it, in which case we have a lot invested in the United Nations. It's not my subject of real research expertise, so I speak more as an observer and somebody who listens to what my colleagues do.

But my sense is that the United Nations remains central—well, I shouldn't say central—very important in Canada's action. The role of Ambassador Heinbecker in 2003 in the run-up to the unfortunate war in Iraq showed, I think, that even if we weren't on the Security Council we could have quite an influence. It wasn't a successful influence, but it was a significant influence, and in fact the Canadian position had some influence on what Mr. Blair proposed to Washington. Stephen Lewis is a significant Canadian figure, as too are Louise Fréchette and David Malone, who is now back in Ottawa.

I think the Canadian commitment to the United Nations has been substantial from the beginning and remains significant. So I think the committee should certainly encourage the government to maintain that big focus, because after all, the United Nations does remain the major instrument of global governance, for all its problems.

To raise a question that is always difficult for Canadians, how does Canada resist and try to either go around...? As Robert McNamara said, the world needed to go around the United States because of its suicidal policies on nuclear proliferation. How does Canada help the rest of the world go around the United States and try to contain the damage that it's doing under the current administration in many areas? Well, the United Nations is the place. Things can happen there even if the United States objects to them, even if they send an ambassador who's committed to castrating the United Nations.

So I think the United Nations has been very important in Canada's foreign policy and certainly should remain so.

I'm not sure if I got at what you wanted.

Thank you.

● (0950)

The Chair: Thank you.

Do you want to add something, Mr. Austin, to the same question?

Mr. Robert Austin: No, I know not very much about the UN, let's say.

The Chair: Okay.

Ms. McDonough.

Ms. Alexa McDonough (Halifax, NDP): Thank you, Mr. Chairman.

I'd like to come back to the question about the UN, but perhaps I could start with Professor Austin.

I'm interested to ask you what you make of Canada's decision to so severely erode our role, our participation, in the Balkans. You mentioned that people are asking you, in your capacity as a participant in the student exchange programs and so on, and in other roles you probably play, given your area of expertise, what happened to Canada. I'm wondering if you have a sense of why Canada, having made such a major commitment, has so completely withdrawn from any real presence.

The second thing I'd like to pick up on and pursue a little bit further is the visa nightmare for international students. It has reinforced a concern raised before the committee, most recently—and very effectively—by the Association of Universities and Colleges of Canada through Dr. McLaughlin and Ms. McBride, who heads up the international programs.

I know that in my own province, one of our universities, Nova Scotia Agricultural College—and this is just a tiny snapshot of what you're talking about—had approved 20 international students to come in for a particular program. A lot of work went into that. It's actually a very large number of students for a very small university. Only five of those students were able to get visas to come in, which caused immense problems on both ends.

Do you have suggestions about what government should do, and what we might want to consider recommending to government, to try to resolve this problem? It's a problem for students who want to come into Canada. Their lives are literally kept in limbo sometimes, only to crash-land at the end, and they never do come. It's also a problem for the institutions on this end, and a lost opportunity from both points of view.

Third, I recently had an opportunity to participate in a round table at a conference sponsored by CASID, the Canadian Association for the Study of International Development. I know that's only one body of students who are interested in, and eager to have, the opportunity to go overseas, but the point was made that not only do we have a tremendously low rate of student overseas participation, but that the low participation rate also affects the job prospects for Canadian graduates, because there are government departments, corporations, and NGOs that are very reluctant to hire graduates of those programs if they haven't had international experience.

Would you comment on those three things? I'll come back to my questions for Dr. Clarkson.

Thank you.

Mr. Robert Austin: I'll start with Kosovo.

With reference to our presence in Kosovo—and subsequently Albania and Macedonia, as a result of the Kosovo conflict—I think the main reason we left was financial; we just decided we couldn't afford to be there any more, which I felt was odd, because I think these were low-cost presences.

I'm a fan. In terms of flexible foreign policy, I'm not sure I understand why we can't do what Austria—a much smaller country than ours, both geographically and in population—has done very efficiently. They have a number of laptop diplomats, as they're called, who are just a presence in terms of a person who is dynamic, outgoing, etc., and who represents the country.

In terms of Kosovo, we left because we decided we didn't want to spend any more money there, even though we had already spent, as I said, $100 million. I think Canada has decided that southeastern Europe—this region we now refer to as the western Balkans, where the last problems in the region are found—is an EU matter. I want to stress that the EU is not capable of solving those problems, because the EU has no credibility in the region. It has zero credibility, especially among Albanians, who think Europe is always double-dealing and that there are too many old alliances within Europe inhibiting the right to self-determination in Albania.

Montenegrans are the same. The Montenegrans and Albanians, to a large extent, do look to the United States, but we also carry a lot of weight there because, as I said before, we're not considered to be biased in any way.

Again, as we've noticed, the European Union is just not capable of making decisions. When it comes to solving the Balkan crisis, it will always fall back to the United States to say that enough is enough.

I wonder why we can't re-engage, but again let's stress that Canada decided it's an EU problem—which I say they can't solve, by the way—and that we just decided we simply couldn't spend the money anymore. I also think we are fighting some legal cases in The Hague regarding Serbia's suing us for the bombing, so some money was probably moved from one pot to another and some offices had to be closed, but we could re-engage at a low cost with laptop diplomats.

On the visa issue, I understand that if you invite 20 students, two might stay. I accept that. That's a reality. I don't know what else to say. Canada is not the type of country that can legislate that, if we accept student A, they are obligated to return. But given the number of people entering here through refugee programs, through normal immigration channels, I think our recommendation is that we've got to take a little bit more risk here. I think that's true. If I have 24 Kosovars come, I do accept that some of them might stay—and frankly speaking, I don't blame them; it's fairly tragic.

I think we're very cautious, especially when it comes to young people. The message we send to a person who can't get a visa—the message we send just in the process of getting a visa—is downright humiliation. It's absolute humiliation, and I don't think it's Canadians who are doing the humiliating; it's the locally engaged staff. There's nobody worse on their own people than their own people. The Canadians aren't being hard on the Albanians in Belgrade or whatever; it's the locally engaged staff.

A Kosovar student said to me, " My goal in life is for you, Robert, to one day have my passport, just for a day, so you can see the kind of process I have to go through." Since we don't have a presence anywhere, for these young people it's almost impossible. An Albanian has to go to Belgrade to get a visa. That means an overnight stay. That means a hotel or hostel. That means lineups.

I agree that we've got more efficient in the past couple of years, but we're very conservative and cautious in terms of visas. I think we could accept that a number of students will stay. The United States seems to accept it too, by the way—that a number of students will stay.

Speeding up the process would help in eliminating these onerous financial burdens—which, by the way, Canadian students couldn't meet. If we applied the same conditions to our own students who were looking for visas, had these countries applied the same process, our students wouldn't get the visas, because they have to have so much money in the bank, and most of my students don't have that kind of money in the bank. In fact, I don't have that kind of money in the bank.

The issue of the international experience comes back to my point that we've got to provide a way, through our foreign policy, to get young people jobs overseas, because—you're right—they can't get the jobs back here without international experience, and as I said before, it is so utterly affordable to do this.

What has impressed me the most, as I said, is that we have done more than just create this pool of young people working overseas. It's one thing to start a career in a new milieu, in an office where you have to meet hundreds of new people—it's very nerve-racking—but imagine the type of people we're creating now, through Young Professionals International. They are not only launching a new career, but launching a new career in a new culture, in a new setting. That's a very diverse, very adaptable employee who can have a foot in Europe, for example, where we were, or in North America.

● (0955)

I can't stress enough that this is so easy to do and so cheap as a foreign policy component, because I see my young people who are working overseas.... Again, at $12,000, which is considerably less expensive than an ambassador—and I'm not comparing an ambassador and an intern—it is a wonderful way to do it, when I see them in their companies, especially when you're dealing in isolated societies.

For example, Macedonia, which we work in a lot, is a very fragile society. It's landlocked and has its territory questioned. One Canadian in an office has a huge effect, not just on that Canadian's experience but on sending a message to Macedonia that Canada did close its office, but there's a Canadian in my office. That notion of projecting values abroad is so important to the companies we work with. If it were my company, I'd say, give me a Canadian so that he or she can show what Canadians are like when they work. I have a waiting list of companies that want to participate in this program, not just because they get a relatively cheap employee but because of the impact these young Canadians have, and because of the impact it has on their young employees, with the connections established, the projects, etc., which can be trade, culture, or whatever.

● (1000)

The Chair: Mr. Austin, I have a question for you, and after that we're going to keep Mr. Clarkson for a few more minutes, because I promised that you would be gone by ten o'clock. I know you have another appointment.

My question is also regarding the Balkans. You say next year will be a difficult year, but a very important year because of the two referenda in Kosovo and Montenegro. You also want to get more Canadian presence over there. What type of presence? We discussed the presence. Do you mean a CIDA presence, a military presence? If you can, I would like you to give us a recommendation about the type of presence we should have in Kosovo and that area.

Mr. Robert Austin: The key thing in both Montenegro and Kosovo is not the military presence. Those days are over. In fact, the military presence is diminishing.

The Chair: I thought so.

Mr. Robert Austin: We have 18,000 troops left in Kosovo, primarily from the United States and other countries. Canada is not a member of that.

CIDA has virtually pulled out of the region, and that's disappointing. A modest CIDA presence would help. CIDA has run a program, administered through the Association of Universities and Colleges of Canada, called Partnerships for Tomorrow, which is a small travel mechanism to develop programs. We can bring people from Kosovo under that program now, but it has changed much. We can't bring people from Albania anymore. We can't bring people from Macedonia anymore. I don't know why these things have changed.

And by the way, the message it sends in the region is that Canada has given up. That's a really bad message when a young person goes to a website and sees that Albania's not eligible and Macedonia's not eligible. There are other countries that are not eligible, but that's because they joined the European Union. European Union countries, of course, are not eligible for Canadian development assistance. So I think there's a need for a re-engagement from CIDA on the small partnerships level.

I also think CIDA has to play a role in this referendum that's coming up. Canada has a lot of electoral expertise. There will be a referendum, and I think it will be very important for Canada to step up to the plate in a referendum in Montenegro as an observer.

The Chair: Thank you, Mr. Austin.

We're going to continue with Mr. Clarkson. We have a few minutes. Can you stay, Mr. Clarkson, for another five or ten minutes? Yes? Thank you.

You will answer the question of Ms. McDonough.

Ms. Alexa McDonough: I have to send this transcript to my 94-year-old aunt, who moved to Mexico in 1937. She's my mother's sister. She's still there, and she follows everything that goes on between Canada, the U.S., and Mexico. She constantly expresses the lament that you've expressed here before the committee. She simply doesn't understand why Canada doesn't engage more with both the U.S. and Mexico, but particularly Mexico, for a number of reasons. I guess I'm interested in pursuing that just a little bit further.

To me, it's very alarming that something as major as the kind of initiative that took place in Waco, Texas, was really brokered and funded in advance by the big corporations, essentially multi-nationals.

I'm not saying there isn't a role to play. Of course, when you're talking about trade, it's appropriate to have some involvement. But I wonder if part of the reason why Canada isn't more proactive on this front is perhaps twofold.

One reason is that the U.S. absolutely doesn't want it to happen. They don't want Canada and Mexico to work together. They want to deal with us separately so that they can divide and conquer. I think we've seen very many examples of that.

Secondly, I wonder if it isn't partly a question of Canada talking out of both sides of its mouth, that it actually is quite prepared not to develop any real institutional infrastructure, any real mechanisms, for there to be continental decision-making that's accountable to people and that really is based on the notion of serving the public interest. Instead, in a wink-wink, nod-nod way, it's willing to have—I say this pejoratively, but he's used to hearing me say it—d'Aquino and the boys really work out the deals that are of the most interest to the corporate sector and the elites.

I know that's a big mouthful, but I'm really wondering if you could comment on that.

Mr. Stephen Clarkson: To the extent that we talk about trade, the agenda has been dominated by business in Canada. The trade unions were not involved in the negotiation of the original free trade agreement. Civil society on the whole has been on the outside and business has been on the inside. That was a deliberate decision of the then Mulroney government, because they wanted an agreement whose framework had been laid out by the business community.

The reality is that business is on the inside and the rest of Canada is on the outside when it comes to anything to do with trade. Until last year, that was institutionally based in the reverse takeover of the external affairs department by the trade commissioners, who were amalgamated in 1982 by Mr. Trudeau and Mr. Pitfield. The strange result was that the small group of trade officials actually came to dominate the agenda through the Macdonald commission, although it was a complicated process.

Our foreign policy has been driven by trade thinking. That is still largely the case, so we have this two-Canada reality. We have the trade Canada, which is primarily business driven, and then we have the humanitarian Canada, which talks about Kosovo, the United Nations, aid, and all the good things we think we do. So we have a profoundly hypocritical stance in the world, which is very hard for us to acknowledge.

We were talking about the problem of developing a genuine trilateralism. I don't think it's just the case that United States doesn't want Canada and Mexico to cooperate. Canada didn't want to have any kind of substantial institutions in the original trade agreement or in the NAFTA. They were rejected, even with Mr. Fox.

President Salinas accepted the mantra that we didn't want to have a bureaucratic, top-heavy, institutionalized North America similar to the European Union. He bought into that. Mr. Fox, when he got elected with Castañeda as his foreign minister, took Robert Pastor's position that North America needed some institutions if it was going to function. Of course, it was too late, and when Mr. Fox came to Ottawa with that proposal, Mr. Chrétien really gave him the back of his hand. Mr. Martin continues to do that to such initiatives, which Mr. Fox has been talking about again recently.

So the Canadian government itself is guilty of rejecting the idea that an institutionalization of our relationship would be positive. It's feared.

The thinking on institutions is very simplistic. A couple of years ago, Mr. d'Aquino mentioned using the International Joint Commission as a model when he was asked how he would set up institutions. I actually ran into him at a men's store on Bloor St. recently, and I accosted him on this. He said he was just trying to prove to the Americans that we have had institutions. But the idea that there will be a parity organization where Canada and Mexico each had a vote, along with the United States, is something the U.S. would never dream of accepting, so we have a big conundrum here.

The fact is that we also do have institutions, but they're invisible. The steel industry has been Americanized in a very interesting way. We probably don't have time to hear a diversion on this, but the steel industry is interesting just as one example. There has been much Canadian investment in the United States, and that's largely because of the failure of free trade to end anti-dumping and countervailing harassment of Canadian exports. In any case, there's such a big presence of Canadian steel companies in the United States that they participate in the main lobby, the American Iron and Steel Institute. They therefore have influence in Congress, which actually leads Congress to favour Canada.

● (1005)

There was an issue of safeguards against foreign steel imports, but Canada and Mexico are exempted largely because there's such a big Canadian presence throughout the American steel industry. And there's now a Mexican presence in there as well. In that particular sector, there is a kind of private sector institutionalization. It's also a coincidence that the head of the U.S. steelworkers has been a Canadian for the last two terms.

So there has been a kind of Americanization, or what I call—you won't like the word—the "hegemonification" of North America, with the United States becoming more powerful through these processes.

I don't know if the committee wants to take this on, but I think the institutional vacuum in North America perpetuates problems. We can't solve softwood lumber. We can't solve many issues because there is no way to deal with them as a whole. They all have to be dealt with ad hoc. Of course, you can make a case that it's better to deal with the issues ad hoc, but the problem is that even where we have an institution like the International Joint Commission, the United States is withdrawing from it. As you know, it refused to have the Devils Lake issue referred to the IJC, and there's a general approach in Washington that is hostile to any constraints that international law may put on their actions.

So I don't know. Again, the international policy statement doesn't want to call a spade a spade. It has to be diplomatic. But in not confronting issues like the U.S. general tendency not to comply with rulings or rules that it has signed on to, that creates a huge problem for us.

And to finally come back to your question about working with Mexico, which also has a huge interest in getting the U.S. to play by the rules—even if the rules aren't fair, we'd rather have them used than simply disregarded—they want to get on with us. I always get the sense that they would like to have closer relations with us.

So I've really lost your question, but if it's getting—

● (1010)

Ms. Alexa McDonough: You mentioned that you were doing some work on this. You've certainly been doing some thinking. Is there some writing you've been doing that you could share with the committee?

Mr. Stephen Clarkson: I have a manuscript that's going to be far too big for anybody to read, but it'll be another couple years before it's out.

Ms. Alexa McDonough: On this issue?

Mr. Stephen Clarkson: It's on steel; it's on financial industries, it's on border security. It's on the whole range of North American issues.

But sure, I've written some specific things that have been published. I could talk to Mr. Lee about that.

The Chair: I have a final question for you, concerning China.

Some people have suggested that Canada's recent agreement with China to consider energy sales is a means to pressure the United States on issues such as softwood lumber. Are you saying that's just a way to diversify our trade? Yesterday, Ambassador Gotlieb told us that we already tried that way of working in the 1970s and it flopped, it didn't work at all.

How do you see this? Is it realistic in a certain sense to do such a thing or not?

Mr. Stephen Clarkson: I think it is a real reality, and it's also an important virtual reality. It's real in the sense that China is growing and has a demand that could in part be satisfied by Canadian resources. It's virtual in the sense that if we want Uncle Sam to pay attention to us, all we have to use is the five-letter word C-H-I-N-A, because the Americans are alarmed about the "yellow peril". I think it would be in our interest to encourage Chinese participation in the petroleum economy of Alberta, because it will help the United States realize that Canada isn't there just to be taken for granted.

That connects to another issue, which is whether or not Canada is to be serious in its dealings with the United States when the U.S. violates commitments. I'd call your attention to Brazil, which is roughly an equal-sized power to Canada, although to be fair, it doesn't depend on U.S. exports and imports and capital as much as Canada does, so it has less risk because it's not next door.

As you may know—and I hope I'm not telling you what you already know—the United States refused to comply with a WTO ruling that the United States violated its international obligations by keeping Brazilian cotton out of the U.S. market. In response, Brazil is withdrawing from the TRIPS, the Trade-Related Aspects of Intellectual Property Rights agreement, with the United States as far as drugs are concerned. They're retaliating. Brazil is saying, okay, you're not doing this, but we're not retaliating on a tariff question; we're doing it in another area that is going to allow us to develop our generic drug industry, and morally speaking, it's going to be in HIV/AIDS drugs. And Brazil got authority to do this from the WTO, so they did a very clever thing.

The equivalent for Canada would be to put an export tax on our oil exports, which also would violate NAFTA the way the U.S. is violating NAFTA, and that money, to mirror the Byrd Amendment, could be given back to Alberta to clean up the environmental devastation of the tar sands.

The way we think about things should be tougher, and I would hope the committee could give a little muscle to Sussex Drive.

● (1015)

The Chair: Professor Clarkson, thank you very much. It's always interesting to have you here.

We'll recess for two or three minutes.

● (1015)

(Pause)

● (1025)

The Chair: We will start.

From the C.D. Howe Institute, we have Madame Danielle Goldfarb, senior policy analyst.

Welcome. The floor is yours for your remarks.

Ms. Danielle Goldfarb (Senior Policy Analyst, C.D. Howe Institute): Good morning, and thanks very much for the opportunity to share my views on Canada's international policy statement.

There's a lot to talk about in the statement, but given my own areas of research I'm going to focus on the trade and development dimension. In several sections of the policy paper they set out priorities and areas of focus. I think that is a good start, but I'm going to argue that Canada should be spending its limited resources on a much narrower set of issues and countries than the paper envisions. I don't think it does an adequate job of priority-setting, and the issues and countries we focus on should be in the areas that are likely to yield the greatest rewards for Canadian interests.

Starting with trade, the international policy statement says that Canada is going to be focusing on a whole series of regions: the United States; Europe; China, India, and the rest of Asia; Latin America and the Caribbean; Australia and New Zealand; Russia; the Middle East; and North Africa. This is not priority-setting. There is really a lack of focus in the policy statement, which says that Canada is going to be completing free trade agreements with the European Free Trade Association, Central America, Singapore, and Korea. We're also going to be opening up negotiations with the Caribbean community, possibly the Andean community, and possibly the Dominican Republic; and completing a more limited deal with the European Union. If you leave aside the European Union, the exports from all of these countries add up to less than 2% of Canadian exports.

Negotiating these agreements is not costless. It takes resources away from other priority areas like the WTO and Canada-U.S. affairs, and it is very resource intensive. People have to travel to places and do a lot of analysis. We have a number of people working on this in the government right now.

Even with all these resources devoted to these deals, Canada has been unable to make progress in most of them because of its unwillingness to eliminate tariff protections in some sectors, and because the United States is now offering deals to these same countries so they're not as interested in negotiating with Canada. Despite all the attention we've paid to them, they're not really going anywhere.

The paper correctly acknowledges that Canada relies and will continue to rely on the U.S. market as its major market for the foreseeable future. But what I think is misleading in the report is that it sort of trumpets China, India, and Brazil as really key to Canada's economic future. There are undoubtedly major opportunities taking place in these countries, but the report fails to explain that Canadians are not currently engaged in a serious way with China or India. The report also fails to acknowledge the limitations of government in terms of changing the state of affairs. After all, businesses are the ones that ultimately make the decisions about where to trade and invest.

If you look at the trade statistics—and I'm sure you've probably heard this before—Canadian exports to China represented less than 2% of Canadian exports last year. Our exports to India are only one-fifth of 1%, and two-way direct investment is also quite abysmal and inconsequential compared to investment between Canada and the United States.

This is not to deny there are important opportunities in these markets. There are very important opportunities in these rapidly growing economies, but most Canadian businesses have simply not seized these opportunities. The policy statement does not acknowledge this, nor does it set out a path for getting us from where we are to date to a much more engaged involvement in these countries, and much more involvement in global supply chains.

What it comes down to is that most Canadian jobs, income, investment, and consequently the social goods that prosperity allows us to provide, depend on secure, predictable access to the U.S. economy. That's the reality, whether we like it or not. So securing, maintaining, and enhancing access to the U.S. market has to be the priority, and that should be reflected in the way we allocate government resources. I'd be happy to talk about what we need to do in a Canada-U.S. context.

● (1030)

Moving from that, which has to be the absolute priority because it's not going to change to a significant degree in the next number of years, now turning to the WTO, Canada has a major stake in global trade rules, and rather than being irrelevant because of Canada's dependence on the U.S. market, I think the WTO can be useful both in Canada's dealing with the United States and with others.

The policy statement argues for Canada to aggressively pursue an ambitious and balanced outcome for the WTO Doha negotiations, but there are so many people working on regional and bilateral agreements in the government that there's not that much attention focused on the WTO. It is almost impossible for Canada to pursue such an ambitious outcome, to contribute constructively, or to pursue its interests to open markets elsewhere when its negotiating position is severely hampered by, for example, a decision to defend 300% tariffs on dairy products under supply management.

So if you look at what's happening in the current negotiations, you'll see Canada is not invited to any of the important decision-making meetings. Canada has not submitted a single agricultural proposal in the current round, despite being the world's fourth-largest agricultural exporter. So it's difficult for Canada to pursue such an ambitious agenda at the WTO, as the policy statement says, if at the same time the policy statement says it's going to defend these supply management and other practices that are not consistent with seeking open markets.

Turning from trade to development, I think the policy paper wisely argues for greater focus both in terms of country focus and thematic focus in Canada's development and foreign aid policies. I think this is an important start. Canada has a history of widely dispersed aid and myriad objectives for aid policy that have made aid much less effective than it could be. And it hasn't given us much presence abroad in terms of our contribution to recipients. Only one of our aid recipients receives 10% of its aid from Canada; that's Haiti. All the others receive a much smaller share, even the rest of our top aid recipients.

And Canada is an anomaly for small donors in terms of its lack of focus. Norway focuses its aid on seven main countries and 18 other minor partner countries. Australia and New Zealand concentrate on the Far East and Papua New Guinea. Japan concentrates on Asia, Spain on Latin America—and I could give you a host of other examples.

More concentrated aid means Canada can devote more resources to understanding particular countries, what the development challenges are in those particular countries, and how to program effective aid in those countries that are difficult environments, rather than supervising a host of projects on a superficial level, which is what we have essentially been doing. If we expect to influence host government behaviour in ways that promote development through our aid policies, we probably have a better chance of doing so if we are among the relatively important donors in that country, which is impossible if our aid is dispersed widely.

The idea that's raised in the paper of more focused aid is a good one, but taking a closer look, I think what we were calling a more focused aid policy is really just business as usual.

I did an analysis of this. The paper says that at least two-thirds of Canada's bilateral aid spending will be concentrated in 25 selected countries by 2010. So what did Canada do? If we look at 2003-04, well, CIDA already gave almost two-thirds of its bilateral aid to its top 25 recipients in 2003-04. It's not quite there, but it's close. And then if you take the newly selected group of 25 countries, they already received about 42% of Canadian bilateral aid in 2003-04. The policy statement says one-third of the aid will still go to the other countries. So we have not, except at the margins, really moved to a much more focused aid policy, in my view.

Just quickly, on a thematic side, CIDA says it's going to focus on priority sectors, and again, I think it's a good start. Unfortunately, I think the sectors that are already.... The policy statement says it's going to be focusing on five priority sectors, with an over-arching theme of gender equality. If you look at the sectors, I think they're a very diverse and highly inclusive set of so-called priorities.

● (1035)

It's not clear that we're moving to a much more focused aid policy. I think it's incumbent on the government to pick a few countries or issues in areas it is good at and focus on them.

The development section has a number of useful prescriptions that I'll maybe just take a moment to reinforce the importance of. I think that CIDA needs to enhance its field presence, because only then can we make sure that we know what makes for effective aid in these countries.

I think it's important to ensure policy coherence across aid and non-aid policies. The document itself doesn't really demonstrate exactly how that's going to be done.

And I think a really good point in this statement is that we need to better integrate best practices and policy research from the International Development Research Centre into CIDA programming, because it seems that although they have some interaction, at the moment that is not being done to the degree it could be.

The policy statement also mentions the importance of untying aid from the purchases of Canadian goods and services. We know from a lot of research that untied aid is much more effective in achieving its aims in reducing poverty. Canada really lags behind international practice in this regard. Almost all the other OECD countries have eliminated or greatly reduced their tied aid to a really small amount of their aid.

The policy statement has a statement of intent, which is good, but it doesn't set any dates or target shares for the reduction of tied aid, which I think would be helpful.

I have just a few brief thoughts on development going forward, and then I'll finish up. To restore Canada's reputation on development issues—Canada used to be more of a leader on development issues—I think we need to create a much more vibrant, dynamic, and analytical research capacity within CIDA that feeds into its policy-making. We also need to encourage a culture of openness and debate. There's been some documentation about the lack of receptiveness to criticism and outside views within CIDA, and the lack of debate internally, within the institution. I think if Canadian bilateral aid cannot be made more focused and effective, Canada might consider sending more aid through multilateral channels that are less subject to the whims of Canadian politics and perhaps more subject to the results of what actually makes aid effective according to the research.

Going forward on both trade and development, I think Canada essentially needs to devote its limited resources to those countries and themes that are likely to result in the greatest rewards for our national interests. The policy paper raises a number of important issues and ideas, but I think Canadian policy needs to be ready to confront difficult trade-offs and to determine what its priorities are going to be. I certainly don't have all the answers of what the focus should be, but I do know that it's incumbent on Ottawa to set out the criteria and to make the tough decisions about priorities, which I don't think the document does adequately .

Also, if anybody is interested, I did give the clerk of the committee a copy of a paper that I've written on U.S. bilateral free trade agreements and Canadian trade policy. I'm also working on a paper comparing CIDA to other aid agencies like those in the Scandinavian countries and the U.K. That should be out early in the new year. If there's interest, I might be able to share an early version with the committee.

● (1040)

The Chair: Thank you very much.

There is a lot of interest in sharing about CIDA. It would be very interesting. You could provide it to our researcher, Mr. Lee, or to the department. I think that would be very interesting for all of us.

Thank you very much. It's a lot of stuff.

We'll start the question and answer with Madame Lalonde, *s'il vous plaît*.

[*Translation*]

Ms. Francine Lalonde: Thank you very much, Ms. Danielle Goldfarb.

Mr. Clarkson has just informed us that, in light of an absence of institutions to improve the way in which NAFTA operates, Canada ought to form a stronger alliance with Mexico in order to exert more influence in the United States. The treaty which is currently in force is the NAFTA treaty, an agreement between the three countries. However, you only mentioned free trade in general terms.

What is your view on strengthening ties with Mexico in order to increase our influence on the United States? I would also like to hear your views on the introduction of institutions to improve the way in which NAFTA operates.

Furthermore, your comments on international aid were very interesting. You promised to send us an article. In the meantime, could you explain to us what defines the international aid provided by Scandinavian countries, and tell us what CIDA could learn from their model?

[*English*]

Ms. Danielle Goldfarb: I hope you don't mind if I answer in English.

Ms. Francine Lalonde: No. If you answer it's good.

Ms. Danielle Goldfarb: I think the reason I didn't mention Mexico, of course, is that I wanted to keep my remarks brief. I actually have written a paper on Canada and Mexico and whether there is.... I'd be happy to pass that on as well. You probably have a copy.

I think there are a number of issues. First of all, when you look at what's happened in the NAFTA in terms of trade, investment, and other kinds of linkages, the reality is that we really have two bilaterals. We have the U.S.-Canada relationship and the U.S.-Mexico relationship. When you talk about the NAFTA in Canada, people think you're talking about Canada and the United States generally—or they generally talk about Canada-U.S. issues. When you talk about it in the U.S., they're generally thinking about U.S.-Mexico issues. In Mexico they're generally thinking about U.S.-Mexico issues. So that's the reality we start with.

The Canada-Mexico trade and investment relationship is relatively weak. We might have expected that it would have.... It has grown, but from a low base. I guess that's the reality we have to start with.

The other issue is that Canada and Mexico are dealing with radically different challenges. On the U.S.-Mexico border, of course, there is the huge development challenge that Mexico has to deal with. That results in a lot of concern about how to resolve the migration issue with the United States. On the Canada-U.S. border we have a different set of issues. That again is the reality we have to deal with.

That being said, Mexico does play a relatively important role in Washington, and there may be some issues where working together with Mexico can result in better outcomes than working alone. We have to consider where that might be the case. For example, the U.S. has put out a proposal that they are going to require passports. I don't know what is going on in the Canadian government on this now, but perhaps that's an area where we can join forces with Mexico to say, look, this is going to affect tourism in our countries; this is going to have a big impact.

There are probably discrete areas where we can work together with Mexico to get our message and our interests heard more strongly in Washington. But at the same time, there's concern about the border. Canada does not want to have the same kinds of border controls that there are on the U.S.-Mexico border. The problems are very different, and we've made a lot of advances on the Canada-U.S. border. There's a lot of concern that we need to avoid the Mexicanization of the Canadian border, and that if the two borders are treated equally Canada will be subject to much stricter border controls that are going to affect our ability to trade and invest across that border. But when faced with a terrorist attack, the U.S. is probably going to treat the borders equally.

We have to recognize the reality that Canada has a strong interest in regional security, and anything that happens on the Mexico-U.S. border is going to ultimately have feedback into policies that the U. S. is going to apply to both of its borders. So we should be paying attention to what happens in Mexico, at a minimum, and making sure our policies reflect that. If you look at the security and prosperity initiative document and most of the issues in there, I still think many of them are U.S-Canada and U.S.-Mexico ones. That's the reality, and obviously we are going to have to move forward on a lot more things than just Canada and the U.S., but we need to take into account our interest in the region as well.

● (1045)

Just one minor point on that is that if you do things like—well, perhaps it's two minor points. I'll just stop on that point, that I think we need to move forward on Canada-U.S. and then think about discrete areas where we can move forward with Mexico as well.

You asked about the characteristics of aid in Scandinavian countries and what might be useful for CIDA. First of all—and I talked about this in my comments—they have moved in the last number of years to focus their aid on a certain number of countries. They have also increased their capacity in terms of research, and they have also moved a greater—

● (1050)

Ms. Francine Lalonde: The research is on what works and what doesn't?

Ms. Danielle Goldfarb: In terms of what makes aid effective and which of their programs are working and which of them are not. They tend to be much more open in terms of showing their results.

I would include the U.K. as also a very important example that we can take lessons from for CIDA. If you read their reports, they acknowledge failings of past aid policies and suggest ways to improve in future. So they have invested a lot in their research capacity. They have also sent many more people out into the field. CIDA has about 1,500 staff; 120 of them are in the field, plus about 170 are locally engaged staff. The U.K. is fifty-fifty. So it's really a significant investment in field presence that allows you to make sure your aid is used more effectively to design more effective aid programs.

The other thing they've done, it also is suggested, is untie their aid from the purchase of Canadian goods and services.

The other thing is that many of them have a different institutional structure. This is important. Most of the Scandinavian countries have their aid agency as a part of the foreign affairs ministry. The U.K. is the only one that has actually separated its foreign affairs agency from its aid agency, but that has taken place in an environment where the U.K. has invested a lot in that agency. It is viewed as a leader and an innovator in government, which I would argue right now CIDA is probably.... I mean, you would probably have views on this too, but right now I would argue that CIDA is not viewed as that. Many of the Scandinavian countries have integrated their aid into their foreign affairs ministry to make for a more coherent aid policy.

The Chair: Thank you.

We'll pass to Ms. Phinney, please.

Ms. Beth Phinney: Thank you for coming today.

Mr. Clarkson also suggested that as well as getting together with Mexico a little bit more, if we want the United States to listen to us, we should mention China a little bit more and have a little bit more to do with China, maybe with our oil. That would make the United States heed what we are saying.

You said you would fill us in on what we need to do to secure our access to the United States market, that you would expand on that if we asked you. So I'm asking you.

Ms. Danielle Goldfarb: Okay. I don't know if I have all the answers to that.

I think the suggestion that has been noted by Professor Clarkson and has been noted by others, that we should put a tax on our oil exports and do things like that, are not very constructive.

It's important to say one thing about the softwood lumber dispute and to put it into context. It's obviously a very important dispute for the region and for those people who are affected by it. The reality is it's a very small part of Canadian trade. Most Canadian trade is dispute-free and the disputes that remain are largely confined to the natural resource sectors. Obviously we need to resolve those disputes, but I think we shouldn't hold hostage other parts of the Canadian economy, particularly a part that is responsible for a lot of the country's wealth and prosperity and is more valuable than—

An hon. member: [*Inaudible—Editor*]

Ms. Danielle Goldfarb: Sorry, Alberta's. But the federal government does also benefit from the oil wells.

So I think it's unhelpful to hold hostage one sector of the economy to try to resolve issues in another sector.

In terms of going out and saying things about China, again I would reiterate my earlier comment about it being a bit misleading to the Canadian public. If we ask the Canadian public, who is listening to this, when we're saying.... For example, there was an article on the front cover of *The Globe and Mail* a number of weeks ago about the Prime Minister saying that we would just sell more softwood lumber in China. That's simply unrealistic. We might be able to sell some more lumber in China, but they don't build their houses with wood. When 5% of B.C.'s softwood lumber exports go to China right now, we're not going to be able to replace the U.S. trade in softwood lumber. It's just not realistic.

While there is a really important opportunity with respect to energy and our resources in China, a lot of interest there, I don't think it's constructive for the Prime Minister to use that as a bargaining point. I think the Americans know that our main market is going to continue to be the U.S., and to suggest to the Canadian public that China is going to be a major player is perhaps nice rhetorically, but if you look at the real numbers, the U.S. will continue to be our major market. I think we have to take advantage of opportunities there, but going out and saying things that imply that we're going to be tough, that we're not going to work closely with the Americans and we're going instead divert all our attention to China is not being realistic about where our trade investment actually is. Again, it's not to say that there aren't major opportunities in China, and we definitely need to be looking at those and taking advantage of them, but we have to recognize the realities.

Your second question was on Canada-U.S. markets. Well, there are a lot of things that need to be done in the Canada-U.S. context. I'll just touch on some of them briefly.

The first is that I think we have ended up with a situation where we have, together with the United States, reinforced what's going on at the perimeter when goods and people first enter North America. We're checking them more diligently at the perimeter, and we're also checking them more diligently at the border between Canada and the United States. If you're going to be checking people so thoroughly at the perimeter, what you want to do is relieve the pressure at the Canada-U.S. border by instituting more random and intelligence-based checks at the Canada-U.S. border.

I think we're reinforcing both the perimeter and the border at the same time, and that doesn't give us any of the advantages that we could get by alleviating some of the pressure at the border.

Also, because of the fact that we're so highly integrated across the border and we produce various things across the border together with the United States, we have to look really seriously at—and this is in the security and prosperity initiative—places where we don't need to have different regulations if we have similar objectives. If there is a valid health or safety reason to have different regulations, well, that's one thing, and Canada should make the decision that's in its best interest. But I think there are many regulations where we have similar regulatory objectives but we have slightly different regulations that cause major costs for people crossing the Canada-U.S. border.

● (1055)

Ms. Beth Phinney: Do you have an example of that?

Ms. Danielle Goldfarb: I actually don't, but we're probably going to publish a paper on that at the C.D. Howe Institute at some point coming up. I could pass a copy of it on to the clerk as well. It's not an area that I've done research on directly, but I have such research on my desk to read.

There are a number of other more general things about managing the Canada-U.S. relationship in a respectful manner. This doesn't mean that we're not able to disagree with the Americans, but that we need to manage the relationship at all levels of government in ways that are respectful.

I think we need to come to some agreements in advance on how we're going to deal with disruption, or the next terrorist attack, for example, because if we do have a terrorist attack in the U.S. somehow linked to Canada, or a terrorist attack in Canada affecting interests in the U.S., there will be a shutdown at the border, which will cause.... If it keeps happening over and over again, it is going to decrease the incentive to invest on the Canadian side of the border, because you just won't have predictability; you will have all of this uncertainty about your ability to cross the border, so why not just put all of your production in the United States, rather than having some on the Canadian side of the border?

So I think we need to come to some agreements in advance, and that's why I think it's really important to move out.... Rather than dealing with every single item coming across the border, we have to go to much more random and intelligence-based checks at the border, and to more thorough security at the perimeter, so that we will have trust between the security and border agencies in Canada and the United States; therefore, when there is an attack, that trust will be built in.

There are many other things on the Canada-U.S. relationship, but I don't want to take up all of the committee's time.

● (1100)

The Chair: Thank you.

Ms. McDonough.

Ms. Alexa McDonough: Thank you, Mr. Chair.

Thanks very much for your very knowledgeable and coherent presentation.

I would like to ask five questions quickly to make sure you have time. One is your view on the issue of splitting or not splitting the department—which is still ambiguous.

Secondly, I believe you were here when Stephen Clarkson was speaking about the absence of any real accountability and infrastructure around North American trade relationships, and so on, and I'm just wondering if you might share with us some of your views on that.

I think I commented—but I'm not sure if you were here—that in that vacuum, we've got a really big problem with democratic accountability, because if decisions are being made primarily by, or are driven by, the CEOs of the major multinational or transnational corporations, it's pretty obvious that the driving force is not what's in the interests of Canadian jobs, Canadian resources and the public interest, but rather—and they don't have any reason to make any apologies for this, as this is the reality—decisions are very often being made in the interests of the multinational corporations the CEOs represent. Although they may be Canadian CEOs, the interests of their companies may in fact mean that outsourcing jobs, transferring jobs, and so on will be in the interests of their bottom line, but not in the interests of the Canadian economy and Canadian jobs.

So I wonder if you could comment on that.

Ms. Danielle Goldfarb: Infrastructure and the NAFTA are separate from accountability....

Ms. Alexa McDonough: Well, I guess, I see it as the other side of that coin. In the absence of the infrastructure, isn't that what is actually happening? And it will happen increasingly.

Ms. Danielle Goldfarb: Okay, I understand. Thank you.

Ms. Alexa McDonough: Thirdly, on the issue of the CIDA reforms that would provide for greater transparency, accountability and, hopefully, greater effectiveness, you may be aware that this committee, and then Parliament in late June, passed a motion calling upon the government to introduce legislation dealing with Canada's international aid. I'm wondering if you've looked at that and if have any comments with respect to it.

It would certainly be very helpful to us on this committee to have the benefit of any research that you've done around how the international development portfolios are handled in Scandinavia and the U.K., the two that you mentioned.

I guess that's probably taken more time than is available. I'd appreciate your comments on any of those issues.

Ms. Danielle Goldfarb: On whether the Department of Foreign Affairs and International Trade should have been split, I think international trade is a critical part of our foreign affairs; that's the reality. I think the split and the uncertainty over it have been a real disaster for the people who are trying to formulate our trade and foreign affairs policies; it's been very difficult for them. There does not appear to be any rationale for the split that I am aware of. You've probably heard this from other people as well. So that's my view on that.

In terms of the absence of accountability or infrastructure around the NAFTA relationships, which you asked about, first of all, NAFTA was deliberately made to be different from the European Union experiment, in that there was a decision not to have this supranational infrastructure. I don't think there's a lot of interest in more infrastructure for the relationship. I would say the United States probably isn't that interested in what it would view as a ceding of its sovereignty to a supranational institution.

The NAFTA dispute settlement mechanism was intended to give some kind of accountability, and it is a real problem when the United States chooses not to respect that decision.

● (1105)

Ms. Alexa McDonough: Do you have any recommendations about what Canada should be trying to do about that? Perhaps changing the mechanism...?

Ms. Danielle Goldfarb: Well, I would say that the problem is not with the mechanism itself. I think the mechanism is doing what it was intended to do. The problem was with compliance—or not—with the mechanism. I'll also reiterate the point that our disputes relative to our trade volumes are going down. I mean, our trade volumes have gone up so significantly and our disputes have gone down. So when you have a much more integrated economy, that's what's going to happen as a natural result. It shouldn't undermine the entirety of the relationship between the two countries.

The issue was referred to this Extraordinary Challenge Committee, and they also ruled in Canada's favour. The Extraordinary Challenge Committee was introduced into the NAFTA at the request of the U.S., so this is something that is particularly difficult to understand in light of that.

I think it is a real problem. I don't have any easy answers, except to say that I don't know if heightened rhetoric is really going to achieve very much for us in the U.S. market, simply because we don't really have much of a credible threat. It's in our interests to go and negotiate an agreement over softwood lumber. We have never retaliated against the Americans in the past, and so that's set a chain in motion of their not expecting us to retaliate.

They will expect us to come back to the negotiating table at some point, and I don't have any brilliant solutions except to say that there will have to be a negotiated settlement. I'm sorry to say that I don't have any easy answers for this issue, except that I also don't think it should undermine the entirety of the rest of the trade relationship, which is very important.

So you talked about how, in the absence of that kind of accountability, multinationals can, if I understood you correctly, take actions that are not necessarily in the interests of Canadians. Did I understand your question?

Okay, maybe I have a bit of a different view on outsourcing. I don't think this is an issue related to the Canada-U.S. relationship necessarily. I think companies are going to make whatever decisions are going to be in their best interests, but companies located in Canada, if they have to remain competitive, may have to outsource some of their activities to other countries. This will allow those companies to remain competitive and win more contracts and that sort of thing.

So I think that is in the interests of Canada. I mean, I think it is in the interests of Canada for Canadian companies and North American companies to take whatever decisions are in their interests, because that will ultimately lead to more competitive companies here, which is essential for the wealth creation that allows us to provide quality of life for Canadians.

I hope that answers your question. I'm not sure if it does.

On the question of CIDA reforms, I'm sorry to say that I actually have not read the legislation you are talking about, and I should get a copy of it. Some of the countries we've looked at do have some legislation that they've put into place to make aid more independent in terms of their aid agencies' ability to make decisions that are strictly focused on poverty reduction, rather than those that are more subject to other political issues. So I don't know what this legislation deals with, but I will take a look at it.

● (1110)

The Chair: There's another question from Ms. Phinney.

Ms. Beth Phinney: It's just a very short question.

You mentioned that there is no rationale for the split in the department between the foreign affairs and trade sections, and that this makes it very difficult for the people who are trying to develop a policy for the trade section. Who do you mean? Are you talking about bureaucrats outside, Canadian business people, the C.D. Howe Institute? Who are you talking about?

Ms. Danielle Goldfarb: Well, it does make it more difficult for anyone to analyze what's going on, but I guess I'm talking about the civil servants who are trying to get their work done but are not quite sure where their office is going to be and, furthermore, are not quite sure why it is, all of a sudden, when they've been trying to integrate a foreign policy that has to take into account international trade interests, they're being asked to separate those out but still maintain contact.

Ms. Beth Phinney: Can you just make a wild guess if it came from an individual or where it came from?

Ms. Danielle Goldfarb: The rationale?

Ms. Beth Phinney: Yes. Why was it done? Maybe we can never find an answer, but who thought it up? Was it a dream somebody had one night, or did some company want it? Did the United States want it?

Ms. Danielle Goldfarb: The only guess I could take is that it has to do with raising the profile of particular people associated with each ministry.

Ms. Beth Phinney: Okay. That's an interesting answer.

The Chair: I have a final question for you. I was a little bit surprised to hear that Canada was not really invited to the important meetings going on over agriculture, even though, as you said, we are the fourth largest country in terms of agriculture.

My question is, what are your expectations of the next WTO round in Hong Kong next month?

And on the same scale, same field, we know that agriculture is the most important issue for most of the countries in the world. CIDA had a rural agriculture program that was cut. Do you think some of the NGOs should have told us to request that CIDA get it back because it was a very important program?

Ms. Danielle Goldfarb: When you say “expectations”, what do you mean?

The Chair: I mean completely agriculture, because of the subsidies and things like this.

Ms. Danielle Goldfarb: What do I think will be the outcome?

The Chair: Yes, about the outcome of the negotiations, because we're in the dark right now.

Ms. Danielle Goldfarb: Okay, it's very difficult to say at this stage, but the U.S. has made a relatively ambitious proposal on agriculture and the European Union has responded to that with a less ambitious proposal. So if something can be worked out that is agreeable to all sides, than there can be some major advancement on reducing agricultural subsidies; certainly the agreement will not eliminate them. That's what I would expect. If there is a successful round, something like that will happen, and then it will remain to be seen what kind of advancements we make in other areas like services. There doesn't appear to be very much progress on the services side, which is important for Canadian interests.

I don't really know. I don't have any more insights into that. Maybe I will in a couple of months.

The Chair: And what about the CIDA agriculture program?

Ms. Danielle Goldfarb: As for CIDA, I don't know the specific program you're talking about, and I don't know the reasons why it was cut. All I can say again is there's always a reason to argue for a particular program or a particular interest, and I think there have to be some difficult choices made—and it's not because something is less important than something else—but there have to be some priorities. That's it.

● (1115)

The Chair: Thank you very much. Your presence here was very much appreciated.

We'll recess for a few minutes, and we'll get to our next witness after that.

Thank you.

● (1115)

(Pause)

● (1125)

[*Translation*]

The Chair: Let us continue our study.

We have the pleasure of welcoming Mr. Mohamed Boudjenane, Executive Director of the Canadian Arab Federation.

Welcome, sir. You have the floor.

Mr. Mohamed Boudjenane (Executive Director, Canadian Arab Federation): I will briefly introduce the federation. I will speak in both official languages, if that is fine with you.

The Canadian Arab Federation is a national organization established in 1967. It is made up of several member associations Canada-wide. The organization's main mandate is to promote the interests, and advance the various causes, of Canadians of Arab descent.

I'll be quite concise today. I would like to talk about a number of Canadian foreign policy issues of interest to us. I will make a few recommendations, and should you have any questions, it would be my pleasure to answer them.

[*English*]

Since the days of Lester Pearson, Canada has enjoyed a reputation as a quintessential peacekeeper, a protector of human rights, a promoter of international law, and a provider of humanitarian aid. It is this reputation that has attracted many of Canada's immigrants, particularly those from Arab countries.

The values that underline Canada's prized reputation have also been the driving force in persuading the international community to adopt Canada's responsibility to protect principle at the United Nations, an initiative that seeks to prevent humanitarian catastrophes. Other noteworthy aspects of Canada's foreign policy include aid and assistance in Iraq, Sudan, and the Palestinian territories.

While Canada's foreign policy has been commendably developed within the framework of international human rights law, it has become apparent that its stated policies on the Middle East, Palestine, and Israel in particular, are inconsistent with its action on the world stage via trade agreements, UN voting patterns, and public statements. This problematic double standard casts doubt on Canada's position as being fair and neutral.

One of the first points I would like to raise is Canada's inconsistent application of policies and principles on the Middle East. CAF is in agreement with many of Canada's written policies on Israel, Syria, and Iran. However, CAF is critical of Canada's inconsistent application of its own policies and principles related to Israel.

For example, CAF is increasingly concerned about Canada's double standard in its selective support of resolutions at the UN. The strong position that Canada took against Syria's presence in Lebanon is consistent with the promotion of human rights and international law. So too is Canada's strong initiative at the UN against Iran's human rights record. In contrast, it is troubling to see Canada take so weak a position on Israel's presence in the Palestinian territories and Israel's human rights record, such as when resolutions come before the UN condemning Israeli violations.

Canada has had a recent history of either abstaining or voting with the U.S. and Israel. Diplomatic niceties and disputes over war choice and UN resolutions are a trivial position for a human rights promoting state like Canada. This shift away from neutrality is especially disconcerting in light of Canada's own written policies, existing UN resolutions, and the decision by the International Court of Justice that the wall being built by Israel on occupied Palestinian land is illegal and contravenes international law. Canada did not support the ICJ advisory ruling.

As a recommended course of action, CAF requests that Canada table a resolution at the UN against Israel's human rights records, a resolution similar in wording to the one it has tabled at the UN concerning Iran's human rights record. Canada must consistently support UN resolutions that seek to protect the human rights of all civilians, and place more emphasis on enforcement, not polemics.

Finally, Canada must be more engaged in resolving the Palestinian-Israeli conflict by supporting its own policy and demanding compliance with international law and UN resolutions.

The second point comes in terms of the relations and free trade between Canada and Israel. While Canada officially opposes Israel's occupation of the West Bank, Gaza, East Jerusalem, and the Golan Heights, as well as the establishment of Jewish settlements in those territories—something considered contrary to international law and unproductive to the peace process—it rewards Israel with duty-free trade status that makes absolutely no distinction between goods made in Israel and those made in Jewish settlements illegally established on confiscated Palestinian land.

The recommended course of action is support for the bill introduced by Pierre Paquette, the member for Joliette. Bill C-326, An Act to amend the Canada-Israel Free Trade Agreement Implementation Act, will forbid entry of products from illegal Jewish settlements that are labelled as being of Israeli origin. The European Union adopted this policy in 2001. A second reading of Bill C-326 will actually take place this month.

The third point is on rebuilding Iraq and ending the occupation. The current situation in Iraq continues to be of concern to the international community. The escalation of violence and increased numbers of civilian deaths is untenable and must be dealt with.

● (1130)

Canada deserves praise and recognition for its $300-million construction and aid package, for remaining neutral, and for working for the benefit of Iraqis, the region's stability, and the world's security. Our recommended course of action is to allocate more assistance for basic humanitarian aid and infrastructure development for Iraq, support international and Iraqi organizations in helping rebuild Iraqi civil society, and call for the U.S. government to expedite an exit strategy that will see stability in Iraq and an end to the occupation.

The fourth point is the diplomatic discussion on Syria and Lebanon. Canada must continue to call on all involved parties to cooperate with the UN-sanctioned Middle East commission. For the sake of justice and regional stability, the international community should allow the commission to complete its investigation and insist that all parties cooperate. The recommended course of action is for Canada to continue to support the work of the Middle East commission and seek resolution through diplomatic discussion after the final report is made public.

Thank you.

● (1135)

[*Translation*]

The Chair: Thank you very much.

We will now proceed with a round of questions. Ms. Lalonde.

Ms. Francine Lalonde: Welcome, Mr. Boudjenane. We are glad to have you here. You have given us a lot of food for thought and fodder for a debate on policy.

You have affirmed, and this goes to the very heart of what you were saying, that you approve of the majority of Canada's policies, but you feel that they are not consistently implemented across the Middle East. You referred to the Israeli presence in Palestine, the United Nations' vote, the loss of neutrality, the fact that Canada did not support the International Court's decision concerning the wall, and the fact that Canada needs to be more engaged in resolving the Israeli-Palestinian conflict.

You referred to the private member's bill introduced by my colleague Pierre Paquette, stipulating that goods produced in the occupied territories, which benefit Israeli companies under the free trade agreement with Canada, would no longer qualify under the terms of this agreement.

Mr. Mohamed Boudjenane: Exactly.

Ms. Francine Lalonde: Do Palestinians in the labour force approve such a measure? That's my first question. I understand why this measure is being defended. However, I just want to establish whether Palestinians over there support it.

What expectations do you have concerning Canada's role in the Road Map for Peace in the Middle East? Canada is not a part of the quartet. We know that 8,000 settlers left the Gaza Strip, however, now these settlers have settled elsewhere in the West Bank, thereby increasing the number of Israelis in the West Bank. You didn't talk about the houses that were destroyed in East Jerusalem close to the wall.

Mr. Mohamed Boudjenane: First, in answer to your first question, indeed, we have checked with the Palestinian Authority and human rights organizations working in the occupied territories as to whether, for example, imposing a limit to the free trade agreement concerning products manufactured in the occupied territories will have an economic impact on Palestinians themselves. This is not the case. The majority of products will, first and foremost, benefit Israeli companies which operate in Israel and do business in these occupied territories. So, to answer your first question, this will in no way change people's lives.

The second point you raised concerns the Road Map. We are asking Canada to once again adopt its past position. As I said earlier when referring to Lester B. Pearson, this position gave Canada its name as a player engaged in international issues, a nation which puts human rights, respect for human life and international law at the heart of its preoccupations.

The problem with Canada's foreign policy today, particularly in regard to voting in favour of sanctions against Israel, is that it is unclear and inconsistent. We simply can't understand how a nation claiming to respect international bodies such as the International Criminal Court continues to shy away from condemning human rights violations and other acts which fly in the face of United Nations resolutions. How can a country which even has members, well-respected people, such as Ms. Arbour, sitting on the world's most important institutions, remain silent? I won't go into all the United Nations resolutions, as so many have been passed against Israel. Some of these resolutions were supported by Canada, others were not. We are wondering what is going on.

In order to have credibility as a player on the world stage, Canada should come back to its earlier clear position. Canada either supports international law and international bodies, or it doesn't. If we were to readopt this clear stance, which effectively made Canada world-renowned, we will be able to play a far more productive and effective role.

Still on the matter of the Road Map, the advantage that we have as neighbours to the Americans, as Mr. Trudeau said, is that being beside the Americans is like sleeping next to an elephant, you never know when it will roll over and if it does, you may get crushed. So, there are benefits and drawbacks to the relationship. The advantage is that we are apparently one of America's closest allies. We should be pushing America into playing a more central role and pushing Mr. Sharon and the State of Israel towards a commitment to a credible peace process.

Today, Palestinians—and I am no expert on this region—do not understand what the stakes are as far as the Road Map is concerned. First, refugees are being denied the right to return to their land. They are spread about in camps and some even live here, in Canada, and they don't have their own land. Compensation is being denied these people and yet their land was taken from them and confiscated. The timetable for the completion of this Road Map is unknown.

I don't know if that answers your question.

● (1140)

Ms. Francine Lalonde: Yes, thank you.

The Chair: Thank you.

Ms. McDonough.

[*English*]

Ms. Alexa McDonough: Thank you, Mr. Chairman.

Thank you very much for appearing before the committee today. There's a vast range of issues that we might canvass in the time allowed.

I'm wondering if CAF is still doing extensive monitoring and fact-finding around the incidence of racial profiling, religious bigotry, and the kinds of discrimination to which people are being subjected, in contravention of our own human rights legislation and certainly in contravention of the unanimous motion in Parliament that we should be taking leadership—and when I say "we", I mean civil society leaders, faith leaders, elected leaders, and so on—to try to stem this ugly flood that has occurred since 9/11. Can you comment?

Mr. Mohamed Boudjenane: Absolutely. That has maybe been the bulk of our work since September 11.

As I said in response to Madam Lalonde, as Canadians, we had this reputation to be at the front of the line when it came to fighting for human rights, international law, and human dignity, but it seems that our reputation is fading more and more, for different reasons. Of course, one of the reasons is our own policy here in Canada when it comes to our anti-terrorism legislation, when it comes to this application of security certificates, when it comes to racial profiling, and so on and so forth.

Yes, CAF is still monitoring all those issues, and we're still very concerned about Canadian policy. We did many presentations and had many policy papers in front of the anti-terrorism committee and in front of the Senate. We met many times with Madam Anne McLellan, the minister responsible for safety.

We're still very concerned that we didn't see any action or any concrete measure to do some outreach to our community, because let's face it, since September 11, and every time there is a bomb somewhere else, we feel the heat. Canadian Arab and Muslim communities in Canada feel more and more marginalized, insecure, and disenfranchised.

You don't want to do that. Let's learn a lesson from other countries. For example, in Europe one of the big problems they're facing now, especially in France, in Holland, and even in England, as we saw recently, is that a good chunk of the population is immigrant racial communities that are not part of the main society, don't have any model within the society, and are not playing any role when it comes to politics and economics.

We have the chance in Canada to get access to citizenship status very quickly compared to those countries. Of course, we have a history of immigrants.

Let's learn about the mistakes of other countries to make sure we're not going to marginalize a whole chunk of the community and maybe fall into the same historical errors that we made with the Japanese, Italian, or Ukrainian communities in the past.

Yes, we're still concerned. As you said, it is not helping Canada's image on the international scene when there are cases like Maher Arar, or Abdullah Almalki, or El Maati, innocent Canadians who have been sent to be tortured in a foreign country.

The Chair: Ms. McDonough.

● (1145)

Ms. Alexa McDonough: I think that CAF has to be commended for a lot of the work that you've done in this area, and in particular, showing real leadership and even-handedness in condemning incidents of anti-Semitism and other religious bigotry, and so on.

Mr. Mohamed Boudjenane: Absolutely.

Ms. Alexa McDonough: I hope you'll continue to press for this, because one of the things that are very clear from some of the research that CAF has done is how wholeheartedly Canadian Arabs and Canadian Muslims share the Canadian values that bind us together as an expressive nation.

I want to shift to the Israeli-Palestinian situation. I think it was in February that the foreign affairs critics had the opportunity to be in Palestine and Israel, at the very historic time when Sharon and Abbas signed their agreement, and had an opportunity to meet with politicians and civil society leaders in both Israel and Palestine at the time. I have to say there was a sense of hopefulness. For example, I was pleasantly surprised at the very strong pitch that the Canadian Israeli business community made to Israelis to understand that opening up economic opportunities was critically important in committing to be part of helping to rebuild infrastructure, and so on.

Given some of the disappointments and setbacks, do you feel there's more that Canada can be doing in that regard to really make good on promises and commitments to help people rebuild their lives, as the continual quest for a meaningful lasting peace continues?

Mr. Mohamed Boudjenane: Definitely. To answer your first comments, I can say CAF is clearly committed to, as you said, human rights, anti-terrorism legislation, and of course to promoting the basic fundamental values we share as Canadians. To do so, we do work with different organizations—the African Canadian community, the Jewish community—to denounce any act of anti-Semitism, racism, xenophobia, or bigotry in this country. I think we deserve as Canadians to live in a peaceful and harmonious country, and thank God for our multicultural fabric. We can understand each other maybe better than other people in other places in the world.

As has been said, it's definitely important for Canada to play a more active role in trying to resolve the issue in Palestine and Israel. For example, recently there was a challenge in the court from a young Canadian born in Jerusalem who wants to challenge the Canadian law, which doesn't recognize, of course, any ownership of Jerusalem under international law; Jerusalem doesn't belong either to Palestine or to Israel. But that young Canadian wants to force Canada to change that and put “Israel” in his passport, because he was born in Palestine. We were happy to see the government standing firm and not giving in to that kind of pressure, because that will open another gate if we decide to change that policy, in existence since 1948.

Therefore, Canada sometimes plays an interesting and active role, and we recognize and salute that, but it needs to be more consistent when it plays that role. It needs to be more respectful of the United Nations rules and resolutions.

The advantage we have here in Canada is that we have a very active civil society within the Muslim-Arab-Palestinian community, but also within the Jewish community. There are a lot of Israelis and Canadian Jews who are against the situation that happens in Palestine, and we are working with those people. Those people are very committed, even within Israel, to finding a peaceful solution to the conflict, toward denouncing on a regular basis the human rights abuses by the State of Israel. We are appealing to those people to work in partnership, and I think Canada should maybe open its arms to that kind of more progressive civil society within Israel and outside Israel to find a peaceful solution to the conflict.

[*Translation*]

The Chair: Thank you.

Ms. Lalonde.

Ms. Francine Lalonde: Thank you, Mr. Chair.

I would like to add to my question by asking for clarification concerning what is going on in Lebanon with respect to Syria.

We were in Lebanon and Syria, that is, Alexa, Minister Pettigrew and myself, last week before the incidents occurred. We were there a week before, in Casablanca.

We are going to stay here, Mr. Chair. We'll be leaving Toronto fast!

The Chair: I have shivers up and down my spine!

Ms. Francine Lalonde: So, everybody rejoiced over the return of peace in Lebanon, in Beirut, a city which was reborn. Then all of a sudden, there was this bomb, and Hariri, who is such an important figure... Frankly, I didn't think the Syrians were implicated in the affair. I really didn't think it was in their best interest.

I'd like to know what the situation is now. What demands are you making, given that there is a significant Palestinian refugee presence which has ties with Syria?

● (1150)

Mr. Mohamed Boudjenane: Today, we consider that the United Nations has given a mandate to the Mehlis Commission... Mr. Mehlis, who is a German diplomat, is currently carrying out an investigation. A few days ago, he made statements which may implicate the Syrian and Lebanese secret services, however for the time being, nothing is set in stone in this regard. So, he hasn't just pointed the finger at Syria.

If there is an international process underway, let's let this process reach an end point. Let's allow the commission to come to its own conclusions. Let's let the commission look for evidence, and if they find any, then we'll see their report. At that point, Canada will be able to make a clear decision about its position. Of course all acts of terrorism must be condemned, especially when perpetrated against those that bring peace and hope to the region.

Nor must we recommit the errors of the past and give in to aggressive behaviour. I am thinking, for example, of the Americans, who did not let the United Nations Monitoring, Verification and Inspection Commission—whose director, by the way, just received the Nobel Prize—complete its investigation. So, there's also the United Nations. Either we respect their mandate and establish commissions and measures to carry out investigations, or we don't. So, that is along the lines of what Canada should end up clearly defining.

Ms. Francine Lalonde: I assume that you vigorously condemned the comment made by Iran's new president.

Mr. Mohamed Boudjenane: Indeed. Furthermore, we issued a press release stating that such remarks did nothing to help either the situation of Iranians in Iran, or the stability of the region. Equally, we condemn the extremist rhetoric of Mr. Bush and other elected representatives, such as the American senator who said that a nuclear bomb should be dropped on Mecca to bring an end to Saudi terrorism. We condemn all extremists.

The Chair: I would like to follow on from what Ms. Lalonde was saying about the Road Map. When she asked you what more Canada could do, you replied that Canada should once again take up its place as an important player on the world's stage. You spoke about Canada's hesitancy, and our international credibility. At that point, you said a great deal about United Nations votes. Other witnesses who have appeared before the committee have told us the exact opposite.

In practical terms, what could Canada do to win the respect of Israel, the United Nations and Palestinians?

The matter of voting is an entirely separate subject. In fact, amendments have been introduced on votes in the United States which please neither side. We know that the quartet, the United Nations, the United States, the European Union, and Russia are working in the field. What practical, field-based role can Canada take on in the Middle East?

Mr. Mohamed Boudjenane: In practical terms, if we abandoned diplomatic negotiations, the cost in human terms will be huge—and this is perhaps what you witnessed firsthand in Palestine. The cost will be huge in terms of poverty, in terms of the economic problems that those living in this small, tightly packed and densely populated area experience, in terms of the appalling sanitary conditions, and in terms of children who are regularly traumatized, who are accustomed to seeing Apache helicopters and who are indoctrinated into becoming human bombs.

We cannot allow this human tragedy to continue. As a self-respecting society, and as a society which purports to respect human rights, there is a role for us to play at the grassroots level. We could begin by making investments, and this is something which we are slowly beginning to do. Canada recently granted some funding for education, governance, etc. However, we could do better for these children; we could do better for these women who today find themselves alone, husbandless, because their husbands have been killed, and childless, because their children have become human bombs. A horrific human tragedy is unfolding. Palestinian society is traumatized.

If Canada commits to helping at the grassroots level, by carrying out humanitarian work, or helping humanitarian organizations in the field, and by helping the downtrodden Palestinian population to win back its human dignity, we could perhaps prevent suicide bombs and the indoctrination of these people.

In fact, it is despair which drives these young children into the arms of the zealots, imams and ideologists who indoctrinate them. They have no opportunities, they have nothing. They are not even able to say that they will wake up tomorrow, that they will go to school and go out to play in the playground. That reality is not theirs, and it is a tragedy. As a self-respecting society, we should perhaps work towards these goals.

● (1155)

The Chair: Hypothetically speaking, do you think that resuming meaningful negotiations with the quartet would result in a decline in international terrorism?

Mr. Mohamed Boudjenane: Terrorism is a reaction that must be vigorously condemned, and we do condemn all terrorist acts that are perpetuated. No cause justifies killing innocent civilian victims. Nevertheless, terrorism is also a manifestation of despair. It is also the weapon of the poor. Terrorism was not created by Palestinians, Muslims or Arabs. It has been around for centuries.

It goes without saying that if we lived in a more just society, with a greater degree of social equity, there would be less violence in the streets. If all members of society had access to a decent income and decent housing, we would perhaps no longer be faced with drug trafficking and prostitution. Certainly, there would perhaps be less terrorism if those who feel marginalized by the international press and the world's wealthiest countries were able to regain a certain form of dignity. That's a credible scenario.

The Chair: Do we have any further questions?

Thank you very much for having appeared before the committee this morning.

Mr. Mohamed Boudjenane: Thank you for having listened to my rant.

The Chair: Not at all, it was most interesting. Thank you.

The meeting is adjourned.

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