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**Subcommittee on International Trade, Trade  
Disputes and Investment of the Standing  
Committee on Foreign Affairs and International  
Trade**

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## Subcommittee on International Trade, Trade Disputes and Investment of the Standing Committee on Foreign Affairs and International Trade

Tuesday, November 2, 2004

• (1535)

[English]

**The Clerk of the Committee (Mr. Eugene Morawski):** Honourable members, I see a quorum.

Our first order of business is the election of a chair. I'm prepared to take motions to that effect.

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** I move that John Cannis be elected chair of the subcommittee.

**The Clerk:** Derek Lee has moved that John Cannis be elected as chair of the subcommittee.

(Motion agreed to)

**The Clerk:** Basically, all that's on the agenda is the election of the chair, but I'm prepared to proceed to vice-chair if you want to do that. Do I have a motion for a vice-chair?

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** I move that Ted Menzies be elected as vice-chair.

**The Clerk:** Mr. Julian moves that Ted Menzies be elected as vice-chair.

(Motion agreed to)

**The Clerk:** I would now invite Mr. Cannis to take the chair.

**Some hon. members:** Hear, hear!

**The Chair (Mr. John Cannis (Scarborough Centre, Lib.):** *Merci*— and that's how my French stops.

Thank you.

The first order of business that I was going to put to the table, colleagues, is a time and a day for our meetings. Earlier on, it was suggested that they could be on Tuesdays, after QP, between 3:30 and 4 o'clock. I'll throw that open for discussion.

**Mr. Derek Lee:** What day was that?

**The Chair:** Tuesdays, after QP.

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** We used to always have them on Tuesdays, didn't we?

**The Clerk:** No, it was Wednesday afternoons, but now we have a conflict, because the main committee is sitting on Wednesday afternoons. The best time is this one.

**The Chair:** Do we have any other suggestions, colleagues?

Are you okay with the Tuesday, Belinda?

I was told the main committee meets on Wednesdays from 3:30 until 5:30, and on Mondays.

**Hon. Mark Eyking:** Tuesday is fine.

**The Chair:** Is that okay, Pierre? Yes.

[Translation]

**Mr. Peter Julian:** Tuesday from 3:30 to 5:30?

[English]

**The Chair:** Okay, they'll be on Tuesdays at 3:30.

Depending on the subject, is there any other order of business?

Could we maybe get the research staff up here for an introduction and to give us a heads-up on anything?

Peter Berg and Michael Holden, welcome. We'll throw it over to you.

**Mr. Peter Berg (Committee Researcher):** I'm sure the members all have ideas about what they would like to study. We would also like to contribute our suggestions. By no means do we want to prejudge what you are going to study, but we threw down some ideas of possible areas of study. As well, there are the kinds of studies that have already been done, both in this committee, the standing foreign affairs committee, the main foreign affairs and trade committee, and the House agriculture committee. We perhaps could pass those out.

**The Chair:** I was going to say that it's going to get passed out. In the meantime, while you're passing those out, I would also encourage any member of the committee to speak up if they have any specific issue they would like to suggest we should initially consider studying.

Derek.

**Mr. Derek Lee:** I have a perception that there is pretty much an absence of a strategy not just on Canada's part, but by other countries, to accommodate the adjustments obviously needed globally to deal with the emergence of China and India. Without a strategy, Canada and other countries are going to be hit left and right over the months to come, with different issues.

It's a rather large envelope of study, but if I may, I suggest it's going to be probably second in importance to our Canada–U.S. trade relationship. I'm referring to the evolving China and India trade envelopes. Other than the WTO, there has to be a framework that we have for ourselves as a country, and a strategy that will then evolve tactics to deal with these various issues as they come up.

I would suggest that as a major, significant issue, period.

● (1540)

**The Chair:** Are there any comments on that? Pierre?

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** I certainly agree that we should look at the strategy we should adopt with China, which is playing an increasingly important role in international trade. I think that it is always a matter of strategy. We need to look at what the federal government strategy should be for handling our trade disputes with the Americans. I would see that including changes to improve the dispute resolution mechanism. But there may be other things as well.

For example, dairy producers, with whom we have to meet during their lobby day, are telling us today that they have prepared a test case to challenge the indirect subsidies that the American government has given the whole industry through its funding for irrigation.

If Canada challenged some of the U.S. practices in court, it would put us in the same kind of situation as when our government challenged Brazil subsidies to Embraer, after the Brazilians challenged Canada's assistance to Bombardier.

It would be interesting if we explored what recommendations we could come up with for a federal government strategy to resolve disputes more quickly and in favour of Canadian and Quebec interests, with those involved in these trade disputes and other people. That would address a number of the points that we put on the list.

I personally think that the main focus should be on developing a strategy to deal with something that seems more and more obvious. People have told me that, where softwood lumber is concerned, they have seen a constant erosion of the dispute settlement mechanism over the 10 years since NAFTA was passed, because the Americans have found all sorts of active ways to challenge us, the latest being an extraordinary challenge before the tribunal.

I would like us to look into this issue, which I see as an urgent one.

[English]

**The Chair:** Any other comments on that?

Just from speaking with the researchers here, I'd like to add that in November 2003 the previous committee did look in that area, if you look at page 2 of the presentation that was passed around, under China. Certainly, though, I am encouraged that we could revisit it. The circumstances today are a little bit different from before. Maybe we can look at that study, which hasn't been....

China was only a smart part?

There you go. So obviously we can expand on that.

When do you think we could have that report? Has it been submitted? Where is it at?

**Mr. Michael Holden (Committee Researcher):** It was submitted in November of 2003. There has been an official response. It's on the

committee website for the second, I believe, or third session of the 37th Parliament.

**The Chair:** So some information is there already, colleagues, that we could just use as a springboard to however we pursue this.

Is that okay?

Any further comment?

[Translation]

**Mr. Peter Julian:** We are talking right now about all the topics that we would like to study in the upcoming weeks and months. Of course, we did talk a bit yesterday about the impact of NAFTA 10 years on. Our committee should examine all aspects of NAFTA, including chapters 11 and 19.

[English]

The other element I would like to bring forward as well for discussion is protection of our supply management institutions. That is something that's come up under the Doha round of negotiations with the WTO.

So it's the protection of those institutions and the GATS negotiations as well, issues around public health, public education.

● (1545)

**The Chair:** Anybody want to elaborate on that?

Mark.

**Hon. Mark Eyking:** Of course, we don't know exactly what's going to happen tonight, but it could mean a different climate in terms of the U.S. strategy and world trade. It could have quite an impact. It's very important, as Mr. Paquette says, that we maybe re-examine and look at our whole negotiation process with the U.S. and NAFTA and how we're dealing with it and going forward with strategies.

So the climate might change a bit. Even if the administration doesn't change in the United States, there might be a difference in the way we deal with this.

**The Chair:** Ms. Stronach.

**Ms. Belinda Stronach (Newmarket—Aurora, CPC):** It's actually a very good agenda that's been put forward. The one thing I'd perhaps like to see us talk about is the WIPO treaty, international patent rules.

**The Chair:** Mr. Eyking.

**Hon. Mark Eyking:** Would that be with intellectual property? Would that all be the same thing?

**The Chair:** Intellectual property falls under that, yes.

Ted.

**Mr. Ted Menzies (Macleod, CPC):** One of the things we talked about also yesterday was the free trade agreements. Do we look at whether or not we expand free trade agreements? Are they good for us? Other countries are pursuing them; should we?

**The Chair:** I was going to give the floor to the clerk first, but you just triggered something here.

If you look at the Central American free trade agreement, the Americans are at the table already. We have failed as a nation to be there. As we all know, our textile industry, our fabric industry, is really hurting in Canada. Of course, in South and Central America there are markets for our products.

I would like to suggest that we could look at that as well, at the Central American free trade agreement, and at how we can encourage our government to get to the table as quickly as possible.

**Mr. Ted Menzies:** Perhaps I could add one more comment about that. We do need to look at whether or not free trade agreements detract from the larger goal of the WTO. I think that's something that...if you look at free trade agreements as a good thing. But in terms of bilaterals, the U.S. is going to be able to win at bilaterals over us. So I'd like to see a little bit of analysis there.

Our free trade agreement's going to end up biting us in the behind, in the end. Or do we make our main thrust at the WTO? I don't know. There's probably an analysis out there that shows us that, but it would be interesting to look at.

**The Chair:** Are you suggesting, maybe, who supersedes what—the free trade agreement with the United States—in terms of what the WTO has to say?

**Mr. Ted Menzies:** I'm looking at the benefits for Canada and for trading partners of some of the larger countries, I guess.

**The Chair:** Well, if you look at the U.S.—and I think there was a question today in the House with respect to softwood lumber—or at our free trade agreement with the U.S., you can see the problems we're having. And yet we're looking at the WTO in terms of the ruling as well.

**Ms. Belinda Stronach:** The allocation of resources perhaps is what you're referring to, to some degree.

**The Chair:** Derek, before I go to the clerk for a second.

**Mr. Derek Lee:** Okay, so we have lots of suggestions. Now we're going to study international trade to death, and we're all going to do it about three weeks, right?

Just as an opening thrust, I would suggest that the committee might want to test the department on the trade items related to the throne speech. I recall the Brazil, India, China focus in trade. We could invite the department here, test them on it, and get a sense of what it's all about. In the meantime, members can talk with each other about just what next items of business might have priority.

Next week the House isn't sitting. It would be three or four weeks before the committee actually sunk its teeth into something. That time is going to pass anyway.

I would suggest we do that, although I haven't run it by anybody.

• (1550)

**The Chair:** We have four or five good ideas here.

**Mr. Derek Lee:** There are at least ten.

**The Chair:** Yes, ten.

Before the end of this session we can prioritize them and see what we're going to start on.

**Ms. Belinda Stronach:** The challenge will be to figure out how the institutions have to evolve to basically meet the demands of

business, because business is so far ahead of the institutions. That may be something where, as we look at things, we evolve that as well, how the institutions will evolve.

I'd just like to comment that yesterday Minister Peterson agreed to appear before the full committee to talk in-depth about the border and the evolution of the smart border plan.

**The Chair:** I'm hearing, then, that the first minister we'd like to have is Peterson, at some point in time.

**Ms. Belinda Stronach:** I think the border is the number one issue with respect to Canada-U.S. relations. There's still great impact, great congestion at the border. That isn't going away. It's getting worse. This is something tangible that we can deal with. We can assess the resources against the plan and what achievements have been made, and where we need to go.

**The Chair:** It sounds good.

Pierre.

[Translation]

**Mr. Pierre Paquette:** We can certainly set aside time for all the topics that have just been listed. The clerk could prepare a suggested work plan for us, as is done in the main committee, taking into account various realities.

A conference on the free trade area of the Americas is expected to be held sometime in 2005 in Buenos Aires. There are also deadlines with respect to the Doha talks. Follow-up might not happen immediately, since there may be a new American administration. If we want to recommend something to the government, we must not wait a year to do it. In this committee, we always try to work with a fairly short timetable. We do not usually do broad consultations. We try to get all the information and then make a certain number of recommendations.

So I think that we need to take into account certain realities. China is one. It is exploding before our eyes in a way, and I do not know how we can handle this. Our problems with the Americans, whether we are talking about the border or trade disputes, are relatively urgent, but we must not overlook our need to examine issues involving China, India and Brazil.

Could we decide on three or four topics that bring together all these issues? These things are all tied together to a certain extent. When we talk about NAFTA, we are talking about our relations with the Americans. An examination of chapter 11 is relevant to future trade agreements. We could come up with a work plan.

Sometime in 2005, there will be a ministerial meeting in Buenos Aires to take stock of how negotiations are progressing on the free trade area of the Americas. There may be some things to say on that. There is also the WTO timetable that should bring us up to December 2005. And certain things need to be done in that regard. There are some issues that have to be dealt with there.

For example, in the softwood lumber dispute, the ruling by the extraordinary challenge committee should come out in March or April. We need to have something to say on that. We need a calendar of events so that we can establish a list of priorities.

We could also undertake a broad study of emerging countries and how Canada is reacting to them, but we need to keep in mind that we have a minority government and that we will probably have no more than two years to do our work. That is a suggestion.

[English]

**The Chair:** You never know, Pierre.

**Ms. Belinda Stronach:** I would like to highlight another issue.

When President Fox was here there were certain similarities between the Canada-U.S. relationship and the Mexican-U.S. relationship, particularly in relation to the dispute settlement mechanism. That may be something we'd want to take a look at, whether there are some common steps that we can take together to advance this issue.

• (1555)

**The Chair:** That's a good point.

We're going to give the floor to Peter.

**Mr. Peter Berg:** I will add another item to this long list of items. It's the international policy review. We don't know when that's coming, of course, but it should be in the next few weeks. I imagine the main committee will be launching its hearings on that in the new year.

It's not clear whether this subcommittee would be involved in that, but just keep it in mind. Obviously, trade is an important component of that, and perhaps there will be some work for the subcommittee to do. A lot of these subjects, of course, would be considered within that IPR.

What I'm seeing from the list is there are a number of urgent things in the Canada-U.S. relationship that we do need to address, including the border, dispute settlements, some of the chapter 19. As Monsieur Paquette said, with the emerging markets in China, India, Brazil, and Russia this will be an ongoing, long-term challenge—and opportunity—for Canada. Perhaps we can come up with some short-term meetings and then have a more long-term strategy, treat it that way.

The issue is that you would probably like to get going when we come back after the break week, with a meeting already set up. So we'd have to make some decision about that first week back. We'll have to make that decision now.

[Translation]

**Mr. Pierre Paquette:** Mr. Chairman, the main committee will be talking about its own work plan on Thursday morning. We need to make sure that our work does not duplicate something that the main committee or someone else will be doing. I saw the proposal and it looks interesting. For that reason, before we make a final decision on our work plan, we need to know what the main committee is going to be working on, in particular with respect to the foreign policy review.

[English]

**The Chair:** So are you suggesting, Pierre, that we put off prioritizing what we want to look at until the first meeting of the committee, and then prioritize our list?

Are there any comments?

If all agree, we could get the department to give us a briefing overall on these issues. Once we get that briefing, maybe we'll be in a better position to prioritize. I think everything that was discussed around the table here today is of great importance—the border issues, dispute settlement mechanisms... everything.

**Mr. Peter Julian:** The minister has already offered to come before this committee, and I think it would be important for us to reserve that date in November, coming back in two weeks, and make a decision today as to which meeting we're inviting him to. That's in two, three, or four weeks. That would avoid the problem that my colleague in the Liberal Party has mentioned about holding off for a couple of weeks before we actually start getting to the work plan.

**The Chair:** Mark.

**Hon. Mark Eyking:** If I may suggest, to make good use of our time when we come back, if the department is going to pull some of this stuff together, some key person from the department could come in and say "Here's what we see". It would give us a sense, and then we could prioritize. Would that be a good idea?

Also, the minister is not going to be here for two weeks after the break. They're going to be in the APEC summits in South America. If you're going to ask him to come, it'll probably have to be the last week in November.

**Mr. Derek Lee:** He'll be taking bodies with him, in all likelihood.

**Hon. Mark Eyking:** Would it be good to have somebody from the department here to give us a snapshot for our first meeting and say "Here's a brief on every one of those objectives", so we'd know?

**The Chair:** It's my understanding that some of the officials we'd be looking to have before the committee might be with the minister on that trip as well.

We'd like to have the minister in as soon as possible. For me, as we've had ministers before committee... We'd like to be prepared to have the minister, if the minister were available next week or the week after. Unless I'm wrong and we are ready to deal with specific issues, we haven't as yet prioritized from the many good topics that we've discussed here today.

I'll go back to what Pierre said earlier: let's prioritize. Derek talked about the Speech from the Throne and focused on some of those trade issues as well. We can go back and prioritize them.

Whatever, we can collectively decide here what we can prioritize, because we have so many—as was mentioned earlier—that the main committee will also be addressing, so why duplicate some of that work?

●(1600)

**Hon. Mark Eyking:** We know there are two things: the Americas are one, whether it's NAFTA or... and it's Southeast Asia, somehow. What we're saying, too, is that Europe or the Middle East are not really priorities right now. We have enough to deal with in the Americas and Southeast Asia.

How we dice it up will be the gist of it.

**Ms. Belinda Stronach:** Why don't I make a suggestion that with the U.S. being our largest customer, we have lots of work to do on that portfolio. Perhaps that could be the first chunk we bite off. The American people will have elected their president by the next time we meet, so perhaps that should be the focus.

And I reiterate, the border is a key priority within that.

[Translation]

**Mr. Pierre Paquette:** I would add that when we set our priorities we should also take into account what the minister and the department have identified as priorities, that is, the introduction to the estimates document that we examined yesterday in the main committee, including dispute resolution. The department wants to work on that, and the minister told us that he was very open to suggestions. I think that we should make suggestions. It is very much in keeping with what we have been talking about, which is the United States, NAFTA and FTAA, perhaps, as well as emerging markets, for which we can prepare a longer-term work plan.

[English]

**The Chair:** I think this fits in with what Belinda said as well.

[Translation]

**Mr. Pierre Paquette:** Yes, and that is why I was suggesting that you should present something to us. We need to group certain topics together and, as for the United States, which strikes me as the priority, there are various issues, including the border and dispute resolution mechanism. We may also want to do an up-date on the chapter 11 situation. I have not been following that in a long time, since I have not been on the committee for a while. A number of suggestions could be presented to us. After that, we could be presented with a suggested strategy and longer-term work plan on emerging markets.

[English]

**The Chair:** I'm getting the sense—and correct me if I'm wrong—that the first priority seems to be our relationship with the U.S., the border, and our dispute settlements. Am I getting that from around the table, that we can advise our researchers and clerks that this is our number one priority?

**Mr. Peter Berg:** Would you be interested in having officials come two weeks from now and we would instruct them to talk specifically about the subjects you've mentioned—if we can't get the minister?

**Mr. Ted Menzies:** As representatives of people who are having a lot of trouble with border issues, I think we have justifiable reason to ask that this be a priority. Whether it's the dairy industry, the beef industry, or softwood lumber, that is the issue. And I like your comment that certainly the emerging markets are important, but right now we have some other important issues.

**Mr. Michael Holden:** One of the other things that would help us out, I think, in planning research for the committee is getting some feedback on how the committee would like it to be structured.

Do you want to look at each of these topics—border security, for example—as a single issue? We could have several hearings on an issue and then possibly produce a report, produce recommendations, and then move on to a second topic.

Or do we do a larger, more cohesive paper or report that would look at chapter 11, chapter 19, at agricultural protection and supply management, at border security, at a broad range of Canada-U.S. trade issues?

It would be useful to know how the committee might want to divvy up the work.

●(1605)

**Ms. Belinda Stronach:** I'd approach it as, what's the objective? It's how to ensure greater, more dependable, more predictable, smoother, more efficient flow of goods across our border. So what are the different components we have to look at?

**Mr. Peter Berg:** Security of access.

**Ms. Belinda Stronach:** Yes, security of access, so that it leads to something.

**Mr. Peter Berg:** I should mention that both the main foreign affairs committee in the House and the Senate foreign affairs committee undertook fairly extensive studies in the last year or two, so they looked at all the issues. If you have a chance, it's pretty good reading, those two reports.

And of course after September 11 we did some work on the border as well. Probably that work needs to be updated. It does cover all the issues that have been raised here.

**Ms. Belinda Stronach:** Did we touch on infrastructure too?

**Mr. Peter Berg:** On the border?

**Ms. Belinda Stronach:** Yes.

**Mr. Peter Berg:** Not in a lot of depth.

**Mr. Michael Holden:** No, the subcommittee report came out in late 2001, so it looked at the smart border action plan—it had just recently come out. So it would actually be very useful to do a review on what progress has been made since that time.

**Mr. Peter Berg:** And the border infrastructure is obviously one of the key elements.

**The Chair:** Are there any other comments?

[Translation]

**M. Peter Julian:** If I understand correctly, a list has been made and all the aspects indicated on the sheet provided to us have been added.

[English]

**The Chair:** There are notes here.

[Translation]

We took note of all the suggestions that you made.

**Mr. Peter Julian:** Does it include the things that we were talking about earlier, or are you going to limit the research or our work plan to the topics that have just been mentioned?

**Mr. Pierre Paquette:** I see included almost all of the items that we have raised in one way or another. There are not many subjects that we have raised that are not there.

**Mr. Peter Julian:** Yes, that is true, but there is the issue of foreign investment and the acquisition of Canadian companies. That's implicit in the document, and I want it to be explicit. It's important that we deal with that, in my opinion.

[English]

**The Chair:** We're talking about investment now, and we can just keep adding, because this is such a broad area. I would suggest we should invite the officials as soon as possible to give us a briefing on the most important issue that I sense everybody really wants to address, and that is the Canada-U.S. issue. I think investment is just as important, but that will come, and we should consider the time constraints we're dealing with as well.

Again, I don't know where to prioritize number three, four, or five, given the list we've taken down, but my suggestion, consulting here with the researchers, is to invite the department to come in and give us an overall briefing. We'll get a good sense, and I think at that time we'll be much better prepared to confront the minister as well upon his return some weeks down the road.

So if I may go over it again, I think my sense around the table is that we want to address the Canada-U.S. relationship, smart borders, security, dispute mechanisms, etc. Are you with me on that?

**A voice:** Yes.

**Hon. Mark Eyking:** We also want officials to give us a briefing on emerging markets.

**The Chair:** Absolutely, yes. But once we have the officials here, I think we'll be able to, Mark, really narrow down and then invite the minister at an appropriate time.

Is everybody in agreement with that?

Peter.

**Mr. Peter Berg:** Just to be clear, two weeks from now or whenever we get the officials, you want the officials then to come and talk about both subject areas? They're quite different.

**Hon. Mark Eyking:** And answer questions too.

**Mr. Peter Berg:** Or do you want just to start with Canada-U.S. issue and then see where it goes?

•(1610)

**Hon. Mark Eyking:** I think we should be prepared with both, and then we'll have a flow of conversation. That would give us a sense from their point of view of where they see this going.

**The Chair:** If we couldn't get both, I think it would give us a sense of really what we're prioritizing here, although I think Canada-U.S. seems to be at the top.

**Hon. Mark Eyking:** Yes, there's no doubt.

**The Chair:** I'm told here from Peter that would be a lot for one meeting, even if it's an hour and a half to two hours, so can we...

**Ms. Belinda Stronach:** At the next meeting we could have a decent discussion on Canada-U.S. and look at the priorities within that. If we come out of that also being able to establish next steps and some priorities in other areas, I think we'll be doing pretty well.

**The Chair:** Can we agree on that, colleagues? We'll focus primarily in the first meeting with the officials on Canada-U.S. It covers everything.

**Mr. Peter Berg:** I think there's a link also between the two, because obviously there's some concern about China displacing our exports into the U.S. market. The challenge is for us to be as competitive as possible in our manufacturing sector, because the Chinese are making very quick inroads into the U.S. market. Some have said that within five years we won't be the U.S.'s number one trading partner. I don't know if that will happen or not. Who knows? So there is a link.

You'll notice that there are a lot of studies that have been done on Canada-U.S. On China, there's been very little done, very little done at all. Also, on India, on Brazil, on the bilateral relationships, most of the regional studies that we have done cover broad regions: Asia Pacific, the Americas, Europe as a whole. But Parliament has not done a lot of work on bilateral relations with some key countries, and I do include Brazil in there as well.

**The Chair:** Derek.

**Mr. Derek Lee:** I appreciate the desire to have a look at work in progress on the Canada-U.S. trade relationship, but of just as much importance, in my view, are the emerging markets. So let's have a look at the U.S. envelope, and then have another meeting on the emerging markets, and then let the subcommittee decide where it wants to go from there. There will doubtless be issues that will pop up that will be steamy hot and ready for the politicians.

**Hon. Mark Eyking:** Yes, so if you had the U.S. first, then at the third meeting we could ask the minister to be available.

**The Chair:** The first meeting with Canada-U.S., the second meeting on emerging markets with the department, and the third meeting with the minister. I think we'll be briefed in all areas.

Ted.

**Mr. Ted Menzies:** Maybe I'm going out too far here, but I think there are some industries and some sectors in Canada that have done very well into China already. I would at some point like to hear that perspective on these industries, whether some of—

**A voice:** The auto sector



**Mr. Ted Menzies:** Yes, the auto sector. I was going to say that, but I just didn't want to get personal here. But there are some sectors that have done well, and I'd like to hear that from the business people how it works, or the challenges.

**The Chair:** We'll make sure, then, Ted, that the officials are notified in their second meeting so that they'll give us brief on it. They'll include China as well in that.

**Mr. Ted Menzies:** At some point I'd like to have some of the industry people come in and brief us on what works and what doesn't work.

**The Chair:** Sure.

**Hon. Mark Eyking:** That's a good point. Belinda brought it up before about sometimes we as institutions are falling behind a little bit. And I think if anything has been lacking in the last three or four years in the trade it is sometimes not enough industry coming in and putting the cards on the table where we should be going as government sometimes. And the success stories, they have gone through their bumps, right, so maybe they can enlighten us on some of these things that we should or shouldn't be doing.

**The Chair:** Maybe at some point we might want to invite EDC in, for example, just to give us an overview of how they are, how they're doing, how their support has benefited or not, etc. But again, we're looking at maybe four steps down the road.

Can we summarize? Unless there's something else to add, we'll have the officials in first to do Canada-U.S. etc.; a second round with the officials again, on emerging markets, China, and what have you; and following those two we'll have Minister Peterson in. By that time we'll start to develop our own little comfort zone.

**Hon. Mark Eyking:** Mr. Chair, we have five meetings before the break, so this will give us a good sense.

**The Chair:** We have some routine motions here.

We have a motion to receive and publish evidence in the absence of quorum: that the chair be authorized to hold meetings to receive evidence when a quorum is not present, provided that at least two members are present, including a member of the opposition. How many people would you say it should be? Three people? So two members and one. Can we decide on a number?

• (1615)

**Mr. Derek Lee:** I think what you want to have is one member of the opposition and one member of the government for a reduced quorum for hearing evidence.

**The Chair:** Are we all in agreement?

**Mr. Peter Julian:** What are we saying? Two members?

**The Chair:** Basically one member from the opposition and one from the government.

**Mr. Peter Julian:** Your quorum would be two members?

**The Clerk:** A reduced quorum.

**The Chair:** A reduced quorum.

**Mr. Peter Julian:** What is the normal practice?

**The Chair:** The normal practice....

**The Clerk:** It depends on the size of the committee. The practice is different in all kinds of committees. Some committees say just the

chair: if the chair is here they can receive evidence. Some say the chair, a member of the opposition, a member of the government, and a member of each other party. It just depends. It's up to you. You can't pass motions or anything. You can't vote.

**The Chair:** Pierre.

[Translation]

**Mr. Pierre Paquette:** I would argue for two. Before, the Liberals had a majority and we had trouble getting quorum. For people travelling to appear before the committee, it's frustrating when there are only two members, but it's even more frustrating when there is no quorum and they get told unceremoniously to turn around and go home. It's not that I want us to have only two members at meetings, but when people are travelling to come and appear before the committee, we have to make sure that the committee is up and running.

**Mr. Derek Lee:** I agree.

[English]

**Mr. Peter Julian:** I'm with them, two and two.

**Mr. Derek Lee:** Two and two?

**The Chair:** Agreed?

One and one. Two members, one and one and the chair.

**Hon. Mark Eyking:** No, but I misunderstood, Mr. Chair. I thought you would recommend more.

**Mr. Pierre Paquette:** No, no more.

[Translation]

No more, because I am afraid that we won't be able to get quorum and we want to be able to hear the witnesses.

[English]

**The Chair:** We would be able to.

**Mr. Derek Lee:** Reduced quorum is two, one from the government and one from the opposition. I'm moving that.

**The Chair:** All agreed?

(Motion agreed to) [See *Minutes of Proceedings*]

[Translation]

**Mr. Pierre Paquette:** I remember the foreign affairs committee going to Montreal, and there were two of us: Mr. Patry and myself. There was no one else left. It's a good thing I didn't call for quorum, or else we would have had to pack up and go.

[English]

**The Chair:** On the time limit for witness statements and questioning, we have that witnesses be given normally ten minutes. Does everybody agree? They'll have ten minutes for their opening statements?

**Mr. Derek Lee:** That's a great idea unless you have a panel. If you have a panel of four people you can't. So it's a great idea, and normally ten minutes is okay.

**The Chair:** So during the questioning of witnesses there be allocated ten minutes, would you say, for each questioner, at the discretion of the chair?

**A voice:** Agreed.

**Mr. Peter Julian:** Do you mean ten minutes in total?

**The Chair:** I mean for the question and answer. Generally, if there are only two members I'll extend the time.

**Mr. Derek Lee:** Before we finish debate and vote on it, I think it's a dumb motion for a small subcommittee of this size. You never know how many people you're going to have as witnesses. Are you going to send the minister away after 10 minutes? I don't know.

**The Chair:** Would we leave it to the discretion of the chair?

**Mr. Ted Menzies:** Are we not talking about minimums here? If you bring the minister in, you'd better talk to him for more than ten minutes or he's going to be pretty insulted.

**The Chair:** The discretion of chair is good enough for now, and if there's a problem someone can move something later.

**Mr. Derek Lee:** You can always kick me out at any time.

**The Chair:** Is there any other business?

That concludes our business for the day, unless somebody has anything to add as we close.

**Mr. Derek Lee:** There's no 48-hour rule here on this committee. I love the 48-hour rule for notice of motion.

**The Chair:** We've never had one, I've been told, in this committee. It's my first run at this committee.

**Mr. Derek Lee:** Many committees have a 48-hour notice rule for motions of substance. Normally, procedural motions just go through.

• (1620)

**The Chair:** We can pick up from the main committee, Derek, if you'd like.

**Mr. Derek Lee:** Does the main committee have a 48-hour rule?

**An hon. member:** It has a 24-hour rule.

**Mr. Derek Lee:** I would move a 24-hour-notice rule consistent with the main committee's rule, then. I'm an old dog around here; I prefer 48. If the notice is dropped on the clerk on Friday at 7 p.m. and our meeting is at 10 on Monday morning, that's not much notice.

How has it been in the past with the main committee?

**Mr. Stephen Knowles (Legislative Clerk):** The motion in the main committee that has been adopted in the last several sessions is that any motion of substance, except of course an amendment to a bill, has to be submitted to the clerk 24 hours prior to the next meeting.

I always interpret that as sort of a 24-hour parliamentary system. If I get it at four in the afternoon and the committee is meeting the next morning at 10, that's still 24 hours, because that's the way you do it in Parliament.

**The Chair:** So we'll follow the same procedure, if all of us agree.

Derek.

**Mr. Derek Lee:** Sure. Obviously that hasn't been a problem on this committee.

**The Chair:** We have the flexibility, I've been told, to change it if we run into problems.

**Mr. Derek Lee:** It just takes one monkey wrench to gum it up.

**The Chair:** We'll all be notified.

**Mr. Derek Lee:** If the chair doesn't think it's worth while and colleagues don't think it's necessary, I'll withdraw the suggestion. You guys can wing it.

**The Chair:** Are there any other questions?

Ted.

**Mr. Ted Menzies:** Can we just clarify that it's 24 hours?

**Mr. Derek Lee:** We're going to adopt that? I'm happy to move it.

**The Chair:** We're just going on the coattails of the main committee.

**Mr. Derek Lee:** Nobody moved it. Am I moving it now?

**The Chair:** If you'd like to, but it's not necessary. Let's put it in the minutes, just to be on the safe side.

[Translation]

**Mr. Pierre Paquette:** I'm not going to make a motion, but I want us to agree among ourselves that documents be submitted in committee and subcommittee in both official languages. That's a motion that was adopted by the full committee.

[English]

**The Chair:** Even as we send them around, any communiqué... in both official languages from our offices, from the researchers, or what have you. If something does slip, I personally would appreciate someone bringing it to my attention immediately.

**Mr. Derek Lee:** That's okay with me.

**The Chair:** I'll see you the Tuesday after next.

The meeting is adjourned.







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