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Chair

Mr. Lee Richardson

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• (1540)

[English]

The Chair (Mr. Lee Richardson (Calgary Centre, CPC)): Welcome.

We'll begin the 22nd meeting for this session of the Standing Committee on International Trade.

Welcome. I must say I didn't even recognize that we were going to have the witnesses from Toronto today, and that's terrific; I see an old friend.

We have witnesses today on the beginning of a study on free trade between Canada and the European Union. We welcome to the committee room Kathleen Sullivan, who is executive director of Canadian Agri-Food Trade Alliance.

Visiting us again from the Grain Growers of Canada is Richard Phillips, who is the executive director. Welcome back.

And in Toronto, via teleconference, we have the chairman of the Canada Europe Roundtable for Business, Roy McLaren. It's nice to see you again.

Mr. Roy McLaren (Chairman, Canada Europe Roundtable for Business): Thank you.

It's good to see you.

The Chair: I think it was in the High Commission in London a couple of years ago.

Mr. John Cannis (Scarborough Centre, Lib.): He was a Liberal minister.

The Chair: And a darned good one.

Also with us is Jason Langrish, the executive director.

We're going to proceed in the usual manner. I'm going to ask our witnesses to give opening remarks, and then we will go to the committee for rounds of questioning in the usual fashion.

I'm going to start with those who have been patiently waiting in Toronto.

Mr. McLaren, are you going to begin with an opening statement?

Mr. Roy McLaren: Yes, I am going to give one minute, Mr. Chairman, and Mr. Langrish, who is far more competent than I am, will give the other nine minutes, for a total of ten.

What I want to say first is thank you for your welcome and for holding this hearing today. We're on the eve of the fourth round of the negotiation of a comprehensive economic trade agreement with

the European Union. We're at about the halfway point, in effect. But my association with the idea goes back a long way, not quite as far back as Lester Pearson, who proposed in 1949 that NATO be something more than a military alliance, that it be underpinned with an economic alliance.

That idea didn't fly at the time, and subsequently, as I tried in my later years as minister of trade to pursue the idea in Brussels, we didn't have much success, largely because the European Union believed, as to a degree we did, that trade enhancement and liberalization might best be pursued in the new World Trade Organization, or the GATT preceding it, rather than in regional or bilateral agreements.

I remember very well speaking with Leon Brittan about the idea, and subsequently with Pascal Lamy, and eventually with Mandelson, to push the idea of a Canada-Europe agreement.

Why did I want to push it? Well, I think the question answers itself almost, in that all trade is good for Canada, free trade is even better for Canada, and for the European Union it was an occasion to negotiate for the first time with a developed country. Europe had already completed a number of agreements with developing countries, but as I said, reserved their trade relations with developed countries for the World Trade Organization.

However, with the faltering, and now I would say the demise of the Doha Round of the WTO—most unfortunate, but I think we might as well recognize the facts—the European Union has decided that it's time to negotiate with a developed country to see whether a complex and comprehensive agreement can be successfully achieved, and also with a federation, because the European Union sees the negotiation with Canada as a template not only for relations with other developed countries or developed areas, but also as an opportunity to test a negotiating agreement with a federation, something that they will in time encounter when they turn to Australia and eventually the United States.

The business community in Canada has gotten behind this agreement 110% and are very enthusiastic about the opportunities. Canadian business has already made major investments in the European Union and clearly sees the opportunities in the time ahead for trade as well as investment.

At this point, Mr. Chairman, I'm going to turn it over to Jason Langrish and ask him to fill in some of the details.

Mr. Jason Langrish (Executive Director, Canada Europe Roundtable for Business): Thank you, Mr. Chairman. Thank you for the opportunity to present to the international trade committee.

Just briefly, the Canada Europe Roundtable was founded in 1999. It had a lot of government support at the time. The reason it exists is that the transatlantic business dialogue that exists between the United States and Europe did not permit participation by Canadian companies. So we created our own organization, and I think we've been much more successful than the American version, because instead of just focusing on delivering shopping lists of recommendations to government, we focused rather on achieving a free trade agreement between Canada and Europe.

If we speed ahead to 2007, we had well over 100 Canadian and European chief executives as well as all the major industry groups supporting free trade between Canada and the European Union. Premier Charest of Quebec also took a strong leadership role, and then trade minister David Emerson was very central.

Europe obviously came along. France and Germany have been very supportive. And as Roy McLaren mentioned, the collapse—or at least the suspension—of the Doha Round negotiations has given new impetus to free trade between Canada and the European Union.

It also created a re-think in the European Commission. Should they be negotiating with wealthy, developed countries? They decided the answer was yes, and they decided the country with whom they should be negotiating was Canada, thanks to our good fortune and all the good work of our foreign affairs department, which ran a campaign to engage the member states. When we got a note from Brussels, they went straight to the member states, and the member states said Brussels may not wish to do this, but we do, the members of the European Union.

I don't think it's surprising. Brussels has always been favourable to negotiating with, say, ASEAN or MERCOSUR. They also recognized that these would be challenging negotiations, but they've since come around and are now very keen. They have actually indicated that it's the best negotiation they've participated in, because Canada and the European Union have so much in common. European business has also signalled their very strong support.

The key issues that have come up from the business community on the negotiations continue to be public procurement, issues around market access, and also technical barriers to trade, notably into the European Union. Services, investment, and labour mobility are all areas in which there is significant growth potential. Intellectual property and agriculture, as well as ensuring ambition among provinces, has been a challenge, but I think we're seeing real movement in that area as well.

Why does this matter for Canada?

I think the first point is that an FTA with the European Union is not a race to the bottom. Free trade is often characterized as a race to the bottom. I think it would be very difficult to characterize this agreement as undermining labour and environmental rights, as an example. The European Union is one of the strongest jurisdictions in the world in protection of labour and environmental rights. I don't think they're looking for anything that's going to diminish that. I think the argument that this is what the agreement could do is somewhat hollow.

As Roy said, Canada is a test model, and if successful, Europe will probably attempt to negotiate with other OECD countries.

I think what's important, though, is that assuming we're successful in concluding this negotiation, in the future, if there is a NAFTA-EU negotiation, we will have established precedence that will be meaningful for Canada within the context of that negotiation, as opposed to sitting on the sidelines and having to accept what the European Union and the United States decide upon.

We're also conscious in these negotiations not to compromise our relationship with the United States in negotiating something with the European Union. But of course the European Union has its own very significant relationship with the U.S., and I don't think they want to do that either.

In Canada, one of the reasons it hasn't received as high a profile as past negotiations is that there's a general acceptance that free trade is a good thing. Given that Canada exports so much and that so much of its prosperity is dependent on export markets, a free trade agreement with Europe is a particularly good thing, especially when our exports to the United States have dropped by almost 30%.

Yes, we need to diversify, and yes, Asian countries and the big-growth areas of Asia are important areas in which to diversify, but it's not an all-or-nothing. We need everything we can get in this globalized economy. Realistically, it's going to take some time before we can negotiate with the Indias and Chinas of the world, whereas Europe is ready to go right now.

● (1545)

I'd also add that if we don't conclude this negotiation, if we're not seen as capable of concluding the negotiation that obviously could mean so much to Canada in terms of economic growth and market access, I think we'd have a very difficult time going forward and negotiating with other partners. The sentiment would be if they can't conclude this agreement—Canada with the European Union—how much energy are they going to put into concluding a negotiation with a smaller partner?

Despite the debt and demographic challenges presented by the European Union, you're still looking at a continent with a 500-million-person market. They have a demand for resources and value-added goods and services that we can satisfy. They are being challenged in traditional markets where they have been active, such as Africa, and I think they're seeing Canada as a good long-term partner.

It's also going to allow us to make common cause on future multilateral issues. In our dealings in the Arctic, as an example, we're going to need to work with the Europeans closely. I suspect that this agreement, which is obviously of an economic nature but requires a great deal of political and ultimately cultural collaboration, will make our future collaboration on pressing issues, such as the northern dimension or other areas of international affairs, a more positive and more robust participation and partnership.

I think I'll conclude on that point, but just saying that, as Roy said, the business community is strongly behind this. This is not a new idea. We've been working on it for several years, and we're very encouraged not only by the progress the negotiators have been making but by the broad support that this agreement has.

It's not just an initiative of the business community. We have editorials in the *Toronto Star*, in the *Globe and Mail*, in the *National Post*, and they've all been resolutely in support of this agreement. Now, there are individual issues that will be challenging and which people won't agree on, but I think that the broader goal of free trade between Canada and the European Union has a very broad level of support in Canada.

• (1550)

The Chair: Thank you, Mr. Langrish. That's an excellent start. I appreciate that as an overview.

We'll go now to Richard Phillips, executive director of Grain Growers of Canada. Oh, is Kathleen Sullivan is going to start? I'm sorry.

Go ahead.

Ms. Kathleen Sullivan (Executive Director, Canadian Agri-Food Trade Alliance): Thank you, Mr. Chair.

My name is Kathleen Sullivan. I'm executive director of the Canadian Agri-Food Trade Alliance. As the chair has pointed out, I'm joined here by Richard Phillips, who sits on our executive.

CAFTA is a coalition of national and regional Canadian organizations that support a more open and transparent international trading environment for agriculture and food products. Our members include Canada's major agriculture exporters—the beef, pork, grain, and oilseed sectors, just to name a few of them—and we represent producers, processors, and exporters, so we're very broad-based.

Canada is the fourth-largest agriculture and food exporter in the world. We rank behind only the EU, the United States, and Brazil. We export half of our beef and cattle, half of our grains, at least 60% of our hogs and pork, and well over 70% of our canola production. Across Canada, nine out of every ten farmers depend on export markets.

But while Canada is a world leader in agriculture and food trade today, there is no doubt that our place in the world is slipping. When it comes to agriculture and food exports, our trade growth is being outpaced by countries such as Argentina, Indonesia, and India, which could surpass Canada in total agriculture and food exports within the next few years.

When it comes to food exports alone, we've already slipped from third place to ninth place in world standings in just the last decade. It is essential that Canada build and expand export markets for our agriculture and food products. We need to identify and pursue meaningful bilateral and regional trade deals that offer significant benefits for Canadian agri-food sectors.

We are particularly enthusiastic about the Canada-EU negotiations that are currently under way. Outside the WTO, the Canada-EU CETA is the greatest trade opportunity that our sector has seen in a

generation, and it's highly unlikely we're going to see anything that matches its magnitude for many years to come.

First of all, the European marketplace is huge. Europe has 500 million people who in large measure share our tastes and values. In particular, they have a very developed taste for higher-value food products.

Second, we are currently under-servicing Europe as a marketplace. Our current exports to the EU from an agriculture standpoint are just one-tenth of what we ship to the United States every year. We have virtually no access into Europe for our beef and our pork products. In fact, we now ship more Canadian cheese to Europe than we ship Canadian pork or Canadian beef.

Third, we are plagued by European non-tariff barriers that can effectively undermine the market access we have in important areas such as our oilseeds sector, for example.

The Canada-EU CETA is an important opportunity for Canada to make significant headway into Europe, and to do it ahead of some of our major trading partners and competitors, such as the United States. A joint Canada-EU study has estimated that Canadian-processed food exports to the EU could grow by about \$2 billion a year—that's about 140% growth—while our primary agriculture exports could grow by another \$1 billion; that's about a 40% growth. The numbers are really quite staggering.

Because this agreement is so broad and so comprehensive, and because the EU has priorities that lie outside of agriculture, there are really unique and unprecedented opportunities for Canada to pursue aggressive advances in market access and in addressing non-tariff barriers for our agriculture and our food exporters. We are a trading nation, and a more open trade system is essential for the future growth and prosperity of Canada's agri-food sector.

We continue to believe that the WTO has much life in it. Mr. McLaren and I have had this conversation a few times in the past. We're quite optimistic that we will find a way forward through the WTO, and it continues to be our priority in agriculture. It really remains the best way to achieve a rules-based system for agricultural trade and it is the only vehicle that can address the comprehensive range of trade issues and barriers that face global agriculture trade in a way that's transparent and rules-based.

But the Canada-EU CETA is a critical agreement for Canada's agri-food sectors. It could open EU markets for key agriculture and food exports and it could address long-standing and future non-tariff barriers in a manner that is precedent-setting.

I think Richard is going to add a few comments on that.

•(1555)

Mr. Richard Phillips (Executive Director, Grain Growers of Canada): Thank you, Kathleen.

I was also smiling at Mr. McLaren when he talked about Pearson, because I'm just reading a book right now that goes back to Laurier's vision of trade, if you want to go back even further yet.

Trade is bigger than just tariff lines. It's also about market access and clear rules to make the trade work. Issues such as SPS—that's sanitary and phytosanitary—food safety technical barriers can interrupt trade and in some cases nearly kill trade. Two key components are under negotiation in this deal to deal with these concerns.

Number one is a proper dispute resolution process. It has to be clear, must be easily understood, and needs to work in a timely manner. This is especially important for the SPS issues.

The second is recognition of sound science. One example I think we know of very recently within the grain trade concerns flax. We simply have to have a better and more timely process to deal with low-level presence concerns. A trade agreement is only as good as our ability to enforce it.

My final point is that there are only a few really large markets in the world: the U.S., China, India, and the EU. This is one of those four markets. More importantly, it's a market that buys high-quality and high-end goods, services, and food. High quality means higher prices, and that means better opportunities for all of us to make money in the agriculture value chain. So we, the Grain Growers of Canada, with the Canadian Agri-Food Trade Alliance, strongly support these trade talks.

I look forward to your questions. Thank you.

The Chair: Thank you again.

We will begin in the normal fashion. The first round is going to be of seven minutes for questions and answers, and I think everyone here is familiar with it.

We're going to start with our Liberal colleague, the Honourable Scott Brison.

Hon. Scott Brison (Kings—Hants, Lib.): Thank you, Mr. Chair, and thank you to each of our witnesses today.

This has been compelling testimony about the importance of this opportunity, the Canada-EU FTA. It's an unusual FTA from a number of perspectives, because it covers more than some FTAs have in the past. I understand, for instance, that some of the discussions are around regulatory reform. This is something new to these discussions that has not been part of previous discussions. Given that non-tariff trade barriers, which are often regulatory in nature, represent barriers to trade and commerce that are sometimes as serious as tariff barriers, I would really appreciate a little insight into that component of the discussions.

And I understand the discussions even involve professional accreditation issues. We have challenges in Canada on some of these issues, but I'd be interested to hear some insight from you on the regulatory component and the professional accreditation component,

because those areas I think are extremely important areas for discussion.

So my questions are both about what the scope of those discussions is and what chance you believe exists for us to successfully conclude agreements in those areas.

•(1600)

Mr. Roy McLaren: I'll take this.

Mr. Chairman, I want to make two quick points and then ask my colleague to respond further to Mr. Brison's incisive questions.

He's entirely right, of course; this agreement is about far more than tariffs. Tariffs, thanks to the Uruguay Round of the GATT and more recently, for example, the government's decision to remove tariffs on industrial components, has rendered tariffs in the Canada-EU context a minor issue. There are some piques to be dealt with, but on the whole it's a minor issue.

Regulatory negotiations are far more important, and Mr. Brison is entirely right to select that as a major issue. It involves the provinces, and that's why the participation of our provinces has been so important in the development of Canada's stance in these negotiations. Fortunately, all ten provinces have pledged themselves to modify or change their regulations as necessary as a result of the eventual agreement.

Recognition of professional qualifications, Mr. Brison's second point, is bound up with the whole question of labour mobility. Labour mobility is a feature of this agreement—which it isn't, for example, of the Canada-United States agreement or of NAFTA. Labour mobility has been very much in the mind of Premier Charest in particular, but all the provinces have recognized the benefits that can flow to Canada from greater mobility and mutual recognition of professional standards. It's an area in which already we're making substantial progress, and I don't doubt we'll complete that particular aspect of the agreement in fairly short order.

If I might, Mr. Chairman, I'd like to ask Mr. Langrish to add a word, and then perhaps we can get back with Mr. Brison.

Mr. Jason Langrish: I'll just add two key points. The first is that regulatory cooperation is an integral part of this negotiation. If you look at professional skills, minerals, forest products, agricultural products, and even procurement, all those sectors face barriers going into the European Union. In procurement, sometimes it's technical standards—the environmental standards for even, say, paper products, which are not necessarily based on sound science. The regulatory reform is well advanced, because this was discussed in the predecessor to the CETA, which was the TIEA, the trade and investment enhancement agreement. I know work is well advanced.

The two key components of the regulatory cooperation chapter, from what we understand, are that both sides will have the responsibility to give advance notice on any planned regulatory formation so that the other side can issue comment on how it will affect exports into the European Union or into Canada; and it will be backed by a binding dispute resolution mechanism, which is something we currently don't have. When we see that we're faced with regulatory barriers into the European Union now, our exporters really have no recourse, whereas with a legally binding dispute resolution mechanism, our hand will be greatly strengthened in dealing with the European Union.

Thank you.

Hon. Scott Brison: Thank you very much.

I also want to say how delighted I am to see a great friend of the Parliament of Canada, Roy McLaren, back here via technology today. It's great to see you, Roy.

Mr. Roy McLaren: Thank you very much. It just proves that old trade ministers never die, they just fade away.

Ms. Kathleen Sullivan: From an agriculture standpoint, non-tariff barriers are critical in our world. The estimates are that half the value of this trade agreement for us will be in addressing those non-tariff barriers.

There's a real chance to resolve some issues that have been outstanding. For example, there are very different standards in Canada and Europe when it comes to slaughterhouses, on the meat processing side. Approvals on the GMO side are very different and very cumbersome in Europe. They have very different environmental sustainability requirements from ours.

If we don't find a way forward and a way to work together on those issues, then frankly, market access into Europe would be meaningless for agriculture. Our view is very much that the deal with Europe has to be meaningful. If we can't resolve the non-tariff issues, then really we shouldn't be moving forward.

We're actually quite optimistic that we'll make progress on these. They've already been woven into the negotiations, so we're quite pleased so far.

•(1605)

Hon. Scott Brison: I have a quick final question on this round.

This is an unusual negotiation from another perspective, and that is the leadership role being played by Premier Charest. You've alluded to it, but how important has his leadership been to this process, both in terms of the international negotiations with Pierre Marc Johnson and others and in terms of gaining consensus with the

provinces on some of these matters that have previously provided barriers?

Mr. Roy McLaren: Briefly, he's been central to both issues. He's played a major part in bringing about the negotiation, partly through his intimacy, as it were, with President Sarkozy of France. France and Quebec already having an agreement of sorts, both Premier Charest and President Sarkozy saw the desirability of building on that. It was a great departure for France, which hitherto has been rather protectionist in its trade attitudes. Premier Charest played a key role in overcoming that impediment.

Second, he's also been very active in ensuring that the other nine provinces and the territories commit to the agreement, and has taken a leadership role with his colleagues, the other premiers.

The Chair: Thank you.

We're going to have to move on. I appreciate the first round.

We'll go to Monsieur Laforest from the Bloc.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chair.

Good afternoon to all the witnesses. Welcome to the committee. We thank you for coming here on such short notice.

My first question is for Mr. Langrish, in Toronto.

We know that, currently, Canada is lagging behind the European Union in trade by about \$10 billion. Imports from the European Union total about \$62 billion, while exports to the European Union are about \$52 billion.

Do you believe that concluding a free trade agreement will enable us to restore the trade balance, or even shift it in Canada's and Quebec's favour? If so, which sectors would benefit the most if the agreement was concluded?

[English]

Mr. Jason Langrish: Thank you for your question.

It's very difficult to predict whether there will be balance. I don't know that it's important that there be balance, considering they probably have 14 times our population.

I think economic studies show that European exports would increase by about \$18 billion and Canadian exports by about \$10 billion to \$12 billion. Considering we have a little over 30 million people and they have over 500 million, I'd say we're doing pretty well on that score.

The thing about trade negotiations is that you never know. In the negotiation for the FTA with the United States, it was widely predicted that our wine industry would collapse; well, it's actually grown. We don't know for certain, but we do anticipate significant growth.

We will see growth, obviously, in the agricultural sector. We will also see export growth in the manufacturing sector, including the automotive sector. In fact, Ford has as much as told us that there's a vehicle they produce in southern Ontario that they want to export globally, including to Europe. There'll be growth in auto parts as well. There'll be an export market for forest products. Minerals will grow as an export market. There'll be growth in services, energy, seafood, and anything that has a tariff applied to it of more than, say, 5%—and even at 5%, it will probably grow.

There also will be a significant growth in investment. I foresee Canada increasing its status as a financial services hub. It will make it easier to raise capital for major infrastructure projects in Canada. It will create more liquidity. There will be a desire within Europe to put money into Canada, because Canada is seen as an outperformer. This agreement will help to facilitate putting that money to use and getting a better return in Canada than could probably be expected in the European Union.

We will see a growth in exchange. Not only will there be more movement of skilled people, but I suspect that also, ultimately, there will be more educational and cultural exchanges. I see the cooperation spilling outside economics and into politics and culture.

I see this already in Toronto. When I first moved to Toronto from Brussels five years ago, there was very little on Canada and the EU. I see regular activities all the time now. Even just watching the World Cup preparations, I'm literally bombarded by European groups organizing things, and I've noticed a marked increase in the net immigration into Canada of skilled Europeans.

• (1610)

[*Translation*]

Mr. Jean-Yves Laforest: I wanted to clarify one of my questions. I'm sorry, but we're on the clock.

Earlier, you talked about one element to consider. You said that the agricultural sector is one of the sectors that could benefit from increased exportation. This leaves us with the impression that the concluded agreement would emphasize the exportation of agricultural products from Canada to Europe, to the detriment of other sectors.

Could there possibly come a time when exports of Canadian high technology products—which are also produced in Europe—are reduced to allow for more exports of agricultural products? Is such a situation plausible?

[*English*]

Mr. Jason Langrish: It's hard to say, but it's the underlying assumption. Canada is a market of 30 million people. We can't produce everything. You need a certain scale to produce certain goods. What we need to do is focus on the areas where we're strong and on whether we are going to be able to make economic gains in this agreement as a result.

To say that we have the world's leading technology in all areas is obviously not true. At this very moment we import, for instance, wind turbines from Denmark. Realistically, are we going to become better resourced in wind turbines and solar cells than Germany or Denmark? It will be tough, but the thing is, as long as those companies are investing in Canada, producing in Canada, using

Canadian employees, and using Canadian research facilities, then we will get a win. It doesn't necessarily have to be a home-grown Canadian company for it to be good for the Canadian economy; it can also be an investment from Europe, and reciprocally we do the same thing as well. Bombardier bought Adtranz, as an example—

[*Translation*]

Mr. Jean-Yves Laforest: I would like to ask you one last question, Mr. Langrish.

European Union's negotiators have said that the supply management issue will be included in negotiations concerning the agricultural sector.

Do you feel that the European Union is taking an especially hard line at the negotiating table? Does it really intend to conclude an agreement in which supply management would absolutely be on the table?

[*English*]

Mr. Roy McLaren: Everything is on the table. Both sides, Europe and Canada, entered this negotiation by putting everything on the table, including agriculture.

What will happen in agriculture is, I think, a recognition that as far as supply management in Canada is concerned, the products generally are not exportable transatlantically. Raw milk or eggs do not have a shelf life sufficient to be easily exportable. Cheese does. The opportunities for Canadian cheese in Europe are really endless, and if we can negotiate the correct deal between us, we will open up all sorts of new markets for Canadian cheese producers. Otherwise, raw milk, poultry, and eggs are not products that would normally be involved in transatlantic trade.

• (1615)

The Chair: Thank you.

That was an excellent round.

We're going now to Mr. Julian.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thank you, Mr. Chair.

Thank you to our witnesses for being here today. You're the very first as we dip our toe in the water of the Canada-EU agreement. We'll be getting a briefing next week, but it is very good that all of you could be available on short notice.

When starting any process, you have to evaluate what happened in past processes, and what has been disturbing is that after we've signed these bilateral trade agreements, in case after case our exports to those markets have actually gone down. Costa Rican exports never attained the same level we had prior to implementation. In Chile it was ten years before we got back to the previous export level. I'm talking in constant dollars, not the current dollars that our current minister unfortunately uses. For Israel it was seven years before we got back to where we were before.

We can't even talk about EFTA because it's been a collapse, an \$831 million decrease in exports, and the most recent export figures for the United States show that in constant dollars we're below where we were in 1995. The only exception has been Mexico, but we have a sizable trade deficit with them, and the numbers have actually declined over the last three years.

There is obviously a functional problem here.

My question will be to Ms. Sullivan and Mr. Phillips. I've raised this with you before. Anecdotally it seems that at the same time we've also had a shift from value-added production and manufacturing exports to primary exports. Has that been your experience, and do you have figures for where we've been prior to the implementation of these bilateral trade agreements and where we are now, specifically in terms of beef, pork, and grains and oilseeds?

Ms. Kathleen Sullivan: Thank you, Mr. Julian.

We had a chance to meet with you briefly last week and start this conversation.

We have started the analysis to take a look at agriculture and food specifically to see what the trends have been since we signed free trade agreements. Our initial review would suggest that in fact we've fared very well after we've signed trade agreements with other countries. We're going to do some more analysis to take a closer look at that and to see if we can take a look by sectors.

There is no doubt that when it comes to processed food, our place relative to other countries is going down. There is no doubt about that. We have to take a look to see if that has changed in absolute dollars, and we can get back to you with that, but our experience is actually quite different. We've found that when we've signed free trade agreements with other countries, our agricultural exports have started to go up.

Mr. Peter Julian: Even though Canada overall has been a loser after signing these agreements, you're saying that at least in your sector there has been an increase in exports.

Ms. Kathleen Sullivan: Yes. The preliminary analysis certainly shows that we have strong growth in those countries.

Mr. Richard Phillips: If I could add a bit, the other thing is that it's not static out there in the world. Other countries are also doing free trade agreements. With Morocco, for example, the U.S. is already ahead of us. As Canadian wheat and durum exporters, we'll be virtually eliminated from that market in a few years simply because of the preferential tariff the U.S. will get, and it is a big market for us. The Canadian Wheat Board has met with us a couple of times to raise the concern that if we don't get things going, we're going to be excluded.

Will there be some ups and downs? Yes. It may also depend on when other countries have negotiated their deals. As well—and I go back to the point I made at the start on the enforceability of the agreements—have local people within those countries raised non-tariff barriers to stop us from having trade even when the deals are signed? Do we have the ability to enforce them to make them work? Those are key components that we need to have in all our deals so that they do work.

Mr. Peter Julian: There is the question around resources, which we talked about before: this government provides pennies, while

other countries, our major competitors, are providing support to their export industries in a very strong and consistent way. That has been flagged a number of times, but you're saying that the issue around enforcement is also something that we need to look at. Hopefully the committee will go into that at some point, because the facts don't lie. The facts are very clear.

I want to come back to the issue around processed food among agrifood exports. We moved from third place in 2000 to ninth place in 2008. There has been growth in the countries where we haven't signed free trade agreements; there hasn't been as much growth—although I will await your figures with much interest—in the countries we have signed with.

To what would you attribute that fall, that slippage, from third to ninth place, when all countries are facing the same worldwide recession that the chair mentioned?

• (1620)

Ms. Kathleen Sullivan: We'd have to do more analysis and get back to you on that, but I think one of the interesting points is one Richard raised: you have to take a look at the trade agreements the countries we're dealing with are signing.

That's one of the reasons the Canada-EU trade agreement is very exciting to us. We are getting into the European market potentially ahead of some major exporters around the world and ahead of some of our major competitors, and that's important. It gives us an opportunity to establish commercial relations. It gives us a chance to figure out the import-export system and get a foothold in the marketplace before other countries come online. It is very important that we continue to pursue trade agreements aggressively, whether regional or bilateral.

I would say again, and I'll re-emphasize this, that it is essential that we continue negotiating towards a WTO agreement. With this idea of one country being ahead of the other, and particularly in relation to agriculture trade, which is highly distorted around the world, it's critical to all of these FTAs we sign to put in place some transparent rules that everybody is going to have to abide by. We always like to make the point that we can't lose sight of the necessity of that agreement.

Mr. Peter Julian: We've certainly taken note of that.

My final question is to Mr. McLaren and Mr. Langrish.

You mentioned an economic study that has been done on the impacts of the EU agreement. Will you make that study available to the committee?

Mr. Jason Langrish: Actually, I'd like to answer two questions. The first is that I would be curious to know where your statistics showing that free trade agreements lead to a national trade decrease have come from.

The second is that it seems the focus is entirely on trade. If you look at a lot of these relationships we've entered into, that's a little bit yesterday. If we want to export, say, into the European Union, often what we'll do—unless it's a fixed resource—is invest in the European Union and then export onwards from there. Often the problem with statistics is that they don't capture sales by foreign affiliates, so none of that gets reported. In actual fact the numbers are skyrocketing, but that's not getting caught in the official statistics because when Bombardier buys Adtranz and then sells trains in Europe, it doesn't qualify as an export from Canada.

In terms of the economic study, we didn't do that study. That study was conducted by the Government of Canada and the European Commission, so it should be available. I think it's publicly available on their websites in both cases.

The Chair: Thank you.

That will do. That was 7:49.

We'll now turn to the Conservative side. Go ahead, Mr. Allison.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Thank you, Mr. Chair, and to our guests, thank you as well.

My question revolves around agriculture. We talked about wine; Mr. McLaren, you talked about the wine industry. My neighbour here and I come from different parts of the country, but we represent wine regions. Certainly one of the concerns I have is the agriculture subsidies in the EU and in some of those places, and whether it's very tough to actually challenge.

Do you feel that's going to be addressed? As a government we were able to lower the excise tax on 100% VQA wine here in Canada, and the EU challenged us on that. The fact that they get access to all our markets through the LCBO and these other things is not that disturbing, but they have 70% market share versus our own Canadian wines here in Canada. We could be doing more.

My question really is around agriculture subsidies. I could talk about any product, but I'm going to talk about wine in particular, because that's what's near and dear to my heart. Is there any way we can address this?

Ms. Kathleen Sullivan: Thank you for the question. I'll try to take it on to start with.

One of the things that we've insisted needs to be addressed in this deal is export subsidies. At this point we're fairly confident that export subsidies are going to be brought up in the context of the negotiations. Certainly we're going to have to be in a situation in which the Europeans will not be permitted to apply any export subsidies to agriculture products.

When it comes to domestic supports, by and large this is where we come back to the WTO. There are a number of really broad-based issues that have to be dealt with in a multilateral context, because for the Europeans to do away with some of their domestic policies in our agreement essentially benefits every other country around the world, so it's very difficult to pressure them in that context. I think we can make some important strides in the context of the Canada-EU agreement, but this is why it becomes critical that we not lose sight of the WTO, and I think Canada can really play an important leadership role on the WTO front.

• (1625)

Mr. Dean Allison: Are there any comments from Mr. McLaren or Mr. Langrish?

Mr. Roy McLaren: I support what Ms. Sullivan said. I'll add that we're all in favour of the WTO and we're all in favour of the Doha Round, but we know perfectly well, and you know perfectly well, that the Democratic Congress in the United States is not going to give Barack Obama a fast track for the Doha Round in the remainder of his present term or if he's re-elected for the four following years. For no other reason than that, the Doha Round is, to put it kindly, suspended.

Here is an agreement in which we can do WTO-plus. We can go beyond. We're not going to be stopped by some members of the WTO who can't participate in the Doha Round. Here's an opportunity to expand our trade and investment beyond what we could possibly achieve in the Doha Round.

Mr. Jason Langrish: I'd add that the other thing is that we both have sensitivities. The Europeans and Canada both have sensitivities. We're not saying to dismantle everything and start again. We understand there are political realities, including a minority Parliament in Canada, but there's enough there. There's enough there to put together a package that will have meaningful, on-the-ground impact, create jobs in Canada, strengthen our industries, and strengthen our hand in one of the four major markets in this world.

I think it's important that we do this and accept that we will have to make some changes, but they will be well worth the benefit we're going to gain from this agreement.

Mr. Roy McLaren: The short answer to your question about wine is yes.

Mr. Dean Allison: Thank you.

Go ahead, Mr. Keddy.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Thank you, Mr. Chairman.

Welcome to our witnesses. Welcome to Mr. McLaren and Mr. Langrish. It's good to see both of you again.

I want to explore a little bit with all our witnesses some of the areas we expect will be a little more problematic. A couple of them—forestry and non-tariff trade barriers—have been mentioned.

I'll use the example of Nova Scotia. Nova Scotia used to do about \$900 million to \$1 billion worth of forestry exports to Europe before the advent of the pinewood nematode, which I think has been here forever. Five hundred years of exports to Europe went down the drain. That will be an issue that certainly holds promise for new markets for Canadian forest companies.

The other issue that I wonder a bit about is in the fishery. We know there's a market there for northern shrimp, but certainly there's a market there for all of our fish products. We don't want to be held out because of processing plants or perceived EU regulations. There's the real danger of a non-tariff trade barrier.

My final point is the whole question of geographical indicators and how we get around that. I really think this agreement has great potential. It's not an agreement yet, but if we get to the point that we actually get this to the House, I think it's an agreement that every party in the House would be able to support, because there really is something here for everyone in every part of Canada.

My question was specifically on the non-tariff trade barriers, and specifically in relation to slaughterhouses and fish plants.

• (1630)

Mr. Richard Phillips: I was going to give you a different example of a non-tariff trade barrier. It can even happen within your blueberry industry. When you're looking at agricultural opportunities out in Nova Scotia, there is a lot of fruit and berry production and the EU has a huge potential, but in the prairies they wanted to export Saskatoons to the European Union, and they said they weren't sure if Saskatoon berries were blueberries. It's a multi-year process and takes literally millions of dollars in testing for human consumption and human food safety, even though we've been consuming them for thousands of years.

It takes ministerial-level interventions. At that time I think Mr. Speller was the Minister of Agriculture, and he had to meet with Franz Fischler, the EU trade commissioner. They had to work out a deal just to allow Saskatoons in.

Those are the sorts of things. In a trade negotiation we need to establish clear rules and clear dispute resolution processes so that we don't have to literally keep products out of the market because of the cost of trying to meet all the standards that they want.

Mr. Gerald Keddy: You mean rules-based trade.

Mr. Richard Phillips: Yes.

Ms. Kathleen Sullivan: If I could just add to that, non-tariff barriers are critical in this agreement, so critical that if we can't deal with the major non-tariff barriers we have with the European Union, there really is no viable trade deal here. They really are that critical, and they have to be integral to the package we negotiate. We're not just negotiating market access. This is a two-pronged process, probably even more than that. The non-tariff barriers are as critical, from an agriculture standpoint, as the market access is.

The Chair: Thank you.

Mr. Jason Langrish: May I just add a quick final point?

We tried to do just regulatory issues during the TIEA, the trade and investment enhancement agreement. The reason it wasn't successful was not that we were negotiating the wrong things; it was just that the package wasn't broad enough to facilitate the trade-offs required. So we still have that core, that regulatory focus, but in order to conclude the agreement and facilitate trade-offs, everything has been thrown in. That's why we feel we'll be successful this time around.

The Chair: Good. Thank you.

That concludes the first round of questioning. Our witnesses have been very patient. They've given us an hour already of their time. If they will give us their forbearance, I think I'd like to do one quick five-minute round for questions and answers. We'll do one round and probably be done within the half-hour if our witnesses are inclined to stay with us.

We will go, then, to Mr. Silva.

Mr. Mario Silva (Davenport, Lib.): Thank you, Mr. Chair. I'll try to be very brief, because I have only five minutes and I wanted to hear from the excellent panel of witnesses we have before us.

I want to very quickly hear about the issue of the binding dispute resolution mechanism. I wanted to know your impressions of how effective this will be in dealing with some of these issues.

I also want to know if the Lisbon treaty that was signed.... I know about the implication that has in terms of the political system, but are there any additional mechanisms in place that make it more difficult in terms of the regulatory cooperation or signing a free trade agreement between the European Union and Canada? Also, I'm wondering if their very tough environmental standards will make access to procurement and sub-national procurement in those countries even more difficult.

I was hoping that maybe the former minister of trade could answer that question.

Mr. Roy McLaren: Okay. Let me do the second part of your question, and then Mr. Langrish might tackle the first part.

On procurement, we spoke earlier of the necessity in Canada to involve the provinces in any of our negotiations of a procurement agreement. But as I said earlier, the provinces have placed themselves to implement whatever is negotiated in the agreement. It is equally so that we're counting on the 27 member states of the European Union to implement every aspect of the procurement agreement. We've pressed the European Commission to commit to that, to ensure that all 27 member states under the Lisbon agreement participate fully in the implementation. We're confident that it will be delivered, and we're confident that here in Canada the provinces will commit themselves fully to the agreement.

Jason, do you want to add something?

• (1635)

Mr. Jason Langrish: Yes. I'll just go quickly through the three points.

Dispute resolution will likely either be what's called an investor-state provision—which is what is in the NAFTA agreement, meaning that companies have the legal right to directly challenge governments if they feel their rights have been contravened—or be state-to-state. We haven't shown a preference for that. We believe that the governments in both Canada and the European Union will act in good faith, regardless of which direction they take.

What's important, though, about dispute resolution is that you have legal recourse without having to go through the courts at the provincial level or at the state level in the European Union. Knowledge of this gives investors and traders confidence. That's probably the single most important thing. With a good free trade agreement, you won't have to use this, but just knowing that it's there will be reassuring.

There are two fundamental changes in the Lisbon treaty. The director general of trade of the European Commission now has to go and make a greater effort to explain to the European Parliament what's being negotiated. The European Parliament will be able to say yes or no to the agreement. They won't be able to amend it and send it back for renegotiation. One of the big things with the Lisbon treaty is that responsibility for investment now shifts to the European Commission and away from the member states, but the details of that are being worked out. I would encourage you to discuss that with the chief negotiator, Steve Verheul. He'll know that in more detail.

Environmental standards are very tricky. The fundamental way to deal with environmental standards is to ensure that they're based on scientific principles, and that's what we want enshrined in this deal, that scientific principles will prevail. Otherwise, you can create an arbitrary standard or certification to block products from coming into your market and favour local products. So we'd like to see that principle enshrined in the agreement.

Mr. Mario Silva: Thank you.

Mr. Chair, I must say I'm very pleased. This is the first time I've asked direct questions and actually gotten direct answers.

The Chair: It's been a good day.

Thank you, Mr. Silva.

Mr. Cannan.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

And thank you to our witnesses.

I appreciate, Mr. McLaren, the history lesson there at the beginning. I know Minister Emerson was very supportive of your foundation, and then Minister Day, and now Minister Van Loan, so hopefully we can hit the ball over the goal line.

How far away do you think we are from coming to some agreement—another year, at least?

Mr. Roy McLaren: I'm sorry, would you repeat that again, please?

Mr. Ron Cannan: This is about a two-year process, and we're about one year into it?

Mr. Roy McLaren: I would be hazarding a great deal to predict the exact completion of the agreement, but as I said at the beginning, we're on the eve of the fourth round, in Brussels in the month of July. I think when we have completed that fourth round, we'll be confident that we will probably be able to wind up within 12 months.

Mr. Ron Cannan: As my colleague Mr. Allison—he's from the Niagara region, and I'm from the Okanagan Valley—said, wine has benefited greatly from the NAFTA agreement. As you mentioned, in 1989 the horticultural sector ripped out the grapes, and they thought that was end of the industry, and it's been nothing but positive.

One of the areas of the horticultural industry that has been suffering is apples. I don't know if CAFTA might have any comments. We want rules-based and fair, open, and transparent trade. One of the aspects of the non-tariff barriers is GMOs. Have those been discussed at all within your first three rounds of discussions?

Ms. Kathleen Sullivan: They have been, actually. We have been very adamant with our trade negotiators, as well as with Agriculture Canada, that GMOs have to be a critical part of these negotiations. We essentially have market access, for canola for example, into Europe, but it's all for naught essentially because of the non-tariff barriers that exist. So that's a critical part.

Canada has signalled to the European Commission that this is going to be a critical component of any deal if we're interested in signing something. They seem to have responded favourably to that. They're at least, as I understand it, prepared to sit down and talk with us. That doesn't seem like a lot, but given where we're starting from with the commission on this issue, in fact it is a pretty important step forward.

We are hopeful that at the July negotiations in Brussels, which are taking place in just a month, there will actually be some focused discussion on those issues specifically. We plan to be there so we can also meet with the commission and continue to press Canada's perspectives on this.

● (1640)

Mr. Ron Cannan: In your opening comments, you mentioned non-tariff barriers. You didn't identify any specific ones. What are you hoping will be addressed specifically?

Ms. Kathleen Sullivan: The biggest one on the grain and oilseeds side would be GMOs. On the meat side, there are certainly issues with European bans on growth promotants, for example. That would be a pretty significant one. There are some pretty important issues regarding European and Canadian differences in standards within processing plants. We would certainly maintain that we have the same standards they do, but they insist on coming and inspecting plant by plant, as opposed to having just a recognition agreement. Our plants are inspected by CFIA, so there should be some sort of mutual recognition.

There are also issues in some areas—grain, processed food, and pork—where the structure of the tariff lines is very complex, and it can actually be quite difficult to get the product in just because you can't meet their specific requirements. It's really more of an administrative issue, but it can be quite a burden as well.

Those are just a few of the things we would certainly have on our list to deal with.

Mr. Richard Phillips: I could just give the example of oats. You'd think we could export oats, but there are also oat groats, oatmeal, rolled oats, flaked grains, hulled oats, and pearled oats. You can get picked apart on the value-added pieces if you're not careful. There's a lot to each individual crop.

Mr. Ron Cannan: That's very informative and insightful. Value-added is a very important aspect.

Maybe just enlighten the committee as far as the process goes and as to how many people are involved in this negotiation.

Ms. Kathleen Sullivan: It's quite large. Of course we aren't in the rooms at the negotiations, but we understand there are about 21 different negotiating tables, all overseen by the chief negotiators. And I think the component we haven't talked about is the involvement of the provinces, and about half of those—

Mr. Ron Cannan: That was my next question.

Ms. Kathleen Sullivan: —negotiating tables actually deal with topics that fall under provincial jurisdiction or shared provincial and federal jurisdiction. We've certainly heard stories that the sole European negotiator is sitting across the table from quite a number of competent Canadian negotiators from across the country. I think the Department of Foreign Affairs has done a remarkable job in coordinating this whole process. The provinces have certainly done yeomen's work in offering up the resources that are necessary to carry this out, because it is more than a full-time job for everybody involved.

Mr. Ron Cannan: Thank you very much. I wish you continued success.

The Chair: Thank you.

We're going to let Mr. Guimond wrap this up. Monsieur Guimond.

[*Translation*]

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you very much, Mr. Chair.

I just wanted to say that it feels good to talk about a free trade agreement that does not threaten human and workers' rights. It's a relief to be able to discuss with a partner as equals.

Good afternoon witnesses, and welcome. This is a good discussion. My first questions are for Ms. Sullivan and Mr. Phillips.

We know that the European Union makes heavy use of geographic indicators. For instance, these indicators are used for a lot for European cheeses, especially in France.

Do you feel that the European way of controlling and labelling products could represent a major barrier for our producers and for Quebec and Canadian agriculture?

[*English*]

Ms. Kathleen Sullivan: I don't know if it will be a barrier for our cheese producers. I would in fact suggest that certainly here in Ontario and Quebec we have phenomenal artisanal cheese markets. I think there may in fact be, as Mr. McLaren pointed out, some interesting export opportunities for those sectors. Having said that, there is no doubt that geographic indicators are on the list of difficult topics that we're going to have to negotiate our way through.

As I understand it, Europe has never signed a free trade agreement that didn't recognize their geographic indicators, either their system or their list of geographic indicators. That is undoubtedly going to be one of the trickier and more complex issues that we're going to have to take on in the context of the negotiations.

There's no doubt there are a large number of food geographical indicators on the cheese side and also on the meat side. So we're going to have to, at some point in the not-too-distant future, get into a fairly detailed analysis of what the impact could be, and then what we're going to do from more of a system standpoint in terms of how we're going to meld their system and ours, because, as you probably know, it's as much a cultural system for them as it is a regulatory system. So we're going to have to figure out a way to get our head around it.

• (1645)

[*Translation*]

Mr. Claude Guimond: I have the same question for you. What's your opinion on this issue?

[*English*]

Mr. Richard Phillips: They actually have issues even within Europe, fighting over their geographical indicators between, say, Greece and France. There are a lot of geographical indicators among all the countries within the EU, but Canada will also have some geographical indicators as well, whether for something as broad as Canadian bacon or for other things. As Kathleen mentioned, we have artisan cheeses, like Oka cheese, for example. We'll have specific cheeses that we also want to protect. We may have other meat products. I don't know if we have any brand-name Canadian canola or not. We have interests as well in geographical indicators, but not as many as they will have.

Mr. Jason Langrish: Just to add to that, the geographical indicator system is legitimate, but it should not be used as a catch-all for every single thing. If it serves a legitimate business purpose, much as our trademarking system in Canada does, then I think it should be reasonably negotiated within the agreement, but I think the Canadian government should be vigilant that it doesn't overspill its bounds.

When you hear things, such as that the Czechs want a GI on the word "chateau"—and this may be hearsay—then we see this as going a little bit too far. We also need to be conscious, of course, of what the GI system will mean with regard to not just the agricultural producers but also grocery stores and things of that nature. So we'd say, speaking on behalf of the business community, that it's fine that they're negotiating that, within reason.

[Translation]

Mr. Claude Guimond: We all agree that during the next round of negotiations, the European way of doing things will present a challenge.

Ms. Sullivan, you said in your presentation that, if we want to maintain our good reputation, we should increase exports. I agree with you.

What kind of leverage do we have to really make inroads into the market, especially the European Union's market?

[English]

Ms. Kathleen Sullivan: Sorry, my translation went out for a few seconds.

Mr. Richard Phillips: I think Canada has a very good reputation for producing high-quality products. If you were to go to Europe and ask people what they think of Canada, they'd talk about our open spaces, the mountains, fresh water, and clean air. We have, I think, some natural advantages if the question is about our reputation and ability to market. I think there's an image of Canada around canola and our pulse crops—peas and lentils—and our beef, pork and wheat, that will actually work very much to our advantage when we go into the European market.

Was that your question?

[Translation]

Mr. Claude Guimond: That's okay.

Do you agree, Ms. Sullivan?

[English]

Ms. Kathleen Sullivan: Yes. One of the interesting things about Europe as a potential trading partner is that—and this is not always the case with other countries we might trade with—they are culturally very similar to us. A lot of Canadians have European heritage. The idea of trading with Europe is not as hard to get your head around. The types of products we enjoy are very similar. As well, as Richard pointed out, Canada does have a very strong reputation for quality of product, and a lot of our standards are very similar to European standards, so not withstanding the differences we often butt heads on, we do have very similar standards and very similar values at the end of the day.

But even more importantly, I think there is a demand in Europe for a lot of the products we produce—for instance, for high-quality cuts of beef or for pork products. In fact we have really nice reciprocal trade with Europe, because some of the products they want and have a deficit in, we can ship to them, and some of the products we are weak in—ribs, for example—they can ship here. So there are market opportunities as well, and I think that's something we need to get our head around. This is a commercial opportunity for our farmers here in Canada and for our food processors here in Canada. So they will be receptive to Canadian product, and there's a demand there that we can help to fill.

• (1650)

[Translation]

Mr. Claude Guimond: Speaking of exports, our opportunities and advantages are very clear. However, as our products hit the European market, European products will appear on our market, as well.

What products could pose a particular threat to our market? Have you conducted any studies on this matter?

[English]

Ms. Kathleen Sullivan: I'm not sure we've really viewed the exports from Europe on the food side as a threat. I suppose, in fact, they would likely be trading products very complementary to ours. As I mentioned, on the pork side we have a deficit in ribs, and they have a deficit in ham, so a very nice reciprocal trade exists there. As far as processed food goes, we would probably see quite a bit of processed food coming over from Europe. We already do.

One of the reasons we are really fascinated by this agreement is that it's so big, and it's so broad. We're actually expecting that at the end of the day we will be gaining agricultural access in exchange for a bunch of other things, which would not necessarily include their agricultural access into Canada. There's no doubt that agricultural exports are important to the EU, but I would imagine in the context of these particular negotiations that agriculture would not be at the top of their list. There are a bunch of other things. This is so different for agriculture in Canada. We're usually in a position of trying to balance our export sectors and our import-sensitive sectors at the same time. We're so enthusiastic about this agreement because it gives us a chance to step outside of that box and perhaps make some really significant gains for agricultural exporters, without perhaps focusing so much on the import side.

The Chair: Great. Thank you.

Did you have a final word, Mr. McLaren?

Mr. Roy McLaren: Do you mean on this subject or a final word?

The Chair: Well, at this point it's going to be both, and welcome it.

Mr. Roy McLaren: No, I think Ms. Sullivan has answered a whole lot of questions very effectively. I happen to think this is the greatest thing since night baseball, and I'm just very happy that we've made a whole lot of progress in the last months on reaching an agreement.

Perhaps I should add that I was somewhat taken aback by the pseudo-statistics offered by one member. I assume—

Mr. Peter Julian: Point of order, Mr. Chair.

They're from Statistics Canada, Mr. McLaren.

Mr. Roy McLaren: Yes, and they'll be for merchandise trade.

Mr. Peter Julian: Exports, imports, trade balances.

Mr. Roy McLaren: It won't be trade in services. They reflect, in fact—if you take the most recent—the economic downturn that has beset the world.

Anyway, as Disraeli said, there are statistics and statistics and damn lies, but there we are.

Thank you very much, Mr. Chairman, for giving us the opportunity to be with you today and to point out the benefits of engaging in this WTO-plus agreement with Europe. Thank you.

The Chair: Thank you, Mr. McLaren and Mr. Langrish. We very much appreciate it. As well, we thank Ms. Sullivan and Mr. Phillips for joining us here in Ottawa. That was a great opening. I very much appreciate it. I'd like to have you all back along the way if this goes well. It very well may. I'd welcome you to come back. Thank you again for today.

Monsieur Laforest.

[*Translation*]

Mr. Jean-Yves Laforest: I would like to clarify something, Mr. Chair.

Next Tuesday, officials from the Department of International Trade will speak on this topic. Have any witnesses been proposed to the clerk for next Thursday's meeting? You have some names.

The witness list is not yet complete, so if you have any suggestions...

[*English*]

The Chair: We've had a little bit of a concern regarding logistics, because I didn't get the balance I was expecting and looking for for Tuesday. But now I understand we have received a good cross-section of witnesses. So I'm thinking—and we're still kind of putting it together—that Monday.... Also, the negotiators have just come back into the country and are meeting with the provinces next week. I expected they would be back in Ottawa next week, but the chief negotiator will be in British Columbia next week with provincial officials.

I think we're going to try to get one of the Ottawa-based negotiators to be here with us on Tuesday and perhaps have the head negotiator by teleconference from Vancouver, oddly enough, for the first hour. Coincidentally, we've had a request from the European Union delegation. So I thought maybe we'd have them to fill out the hour on Tuesday to balance that off. We'll kind of get a government perspective, a negotiator perspective. Then we'll probably have one more day of hearing witnesses in the normal fashion. The clerk advises me that we have a pretty good balance.

Mr. Julian.

● (1655)

Mr. Peter Julian: So the intention, Mr. Chair, is to have hearings next Thursday? Okay. We'll have some names, we can—

The Chair: Get them into the clerk. I think we have some pretty good ones, but we always welcome more. My sense of it is that we're going to be at this for a while, and everybody is going to have an opportunity to speak, as is always the case at this committee.

There we go.

Thank you. Have a good weekend, and we'll see you next week.

The meeting is adjourned.

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