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Chair

The Honourable Rob Merrifield

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• (1140)

[English]

The Chair (Hon. Rob Merrifield (Yellowhead, CPC)): We'll call the meeting to order.

First of all, I'd like to thank the minister for coming on the such short notice that was given and being able to be here. Our start time was held off because of the votes. I know the minister has something scheduled right after this, so I'm asking the committee to agree that we'll go through the first round of questioning after the minister's intervention and then we'll go from there into the second half of our meeting.

Mr. Easter, please be very quick.

Hon. Wayne Easter (Malpeque, Lib.): I know the minister stayed up all night preparing these remarks, but we can read the remarks to save time. We should go to questioning right away.

The Chair: We're going to ask the minister for his intervention.

I thank the minister for coming and also the colleagues who are with him. The floor is yours.

Hon. Ed Fast (Minister of International Trade): Thank you very much, Chair.

I look forward to our discussion today.

I'd like to thank the committee for responding positively to my letter requesting to appear before you to update you on the important negotiations under way between Canada and the European Union toward a comprehensive and ambitious trade agreement.

As you know, creating jobs and securing Canada's economic recovery remain the top priority of our government, and expanding trade is a cornerstone of our ambitious pro-trade plan. After all, trade accounts for 60% of our annual GDP, and one in five Canadian jobs is directly or indirectly dependent on trade. That is why broadening and deepening our trading relationships is a key part of our government's strategy to protect and sustain Canada's economic recovery.

That's also why we're moving forward with our ambitious pro-trade plan that will create more opportunities to sell our goods, products, and services to key markets around the world and protect and create more jobs for hardworking Canadian families here at home.

Under the Prime Minister's strong leadership, we've accelerated efforts to expand our trade relationships. Indeed, we've completed trade agreements with nine countries in less than six years. And

we're in various stages of negotiations with many, many more. In fact, the WTO itself pointed out that "Canada's considerably expanded FTA agenda marks a departure with its past practice".

We're proud of this record, because the benefits to Canadian families generated by international trade are clear. When we expand trade, prices for goods and services go down. Wages, salaries, and our standard of living go up, as does our productivity and level of innovation. And critically, businesses are able to hire more workers. In fact, just two weeks ago British Prime Minister David Cameron echoed these same benefits in his speech to Parliament.

Our ongoing negotiations with the EU include what are by far the most significant trade talks for Canada since the historic North American Free Trade Agreement was signed. I thank you for your interest in these negotiations as we move towards the ninth round coming up very soon right here in Ottawa.

I should also acknowledge the great support we've received from municipalities and provincial and territorial premiers across Canada. They recognize, as we do, that the benefits of an agreement would be enormous for Canada. The scoping exercise, which preceded these negotiations, indicated that a Canada-EU free trade agreement would be expected to boost our national economy by \$12 billion each year and increase two-way trade by \$38 billion, an increase of 20%.

At the level of individual families, essentially at the kitchen table, a free trade agreement with the EU would mean an increase of almost \$1,000 in the average Canadian family's income, not to mention the 80,000 new Canadian jobs that are expected to be created. That's like adding the entire workforce of Moncton, Trois-Rivières, Kingston, or Abbotsford to Canada's employment ranks. It would give Canadian workers and businesses preferential access to the single largest goods-importing market in the world—much larger than the U.S., in fact.

We're talking about preferential access to a market with 500 million consumers, giving Canadian businesses a real competitive edge. When we look at specific sectors of our economy, the potential benefits of this agreement become even clearer. In manufacturing, for example, Ontario leads all provinces with over \$12 billion in goods exported to the EU. Under this agreement we expect all industrial tariffs will either be removed immediately or be phased out over time. Removing tariffs in such a vital sector will allow Canadian businesses to expand production and hire new workers.

In Atlantic Canada, where potatoes, fish, and seafood are main export sectors to the EU, current tariffs average 11% but are as high as 25% on some products. Under this agreement, Canada is seeking to completely eliminate tariffs on all these products. Again, the benefits to Canadians are real.

In western Canada, the forestry, agricultural, and technology sectors will all benefit from preferential access to the European market.

• (1145)

We know that when Canadian businesses succeed abroad, they create jobs and prosperity right here at home. These are the tangible benefits of this agreement, and they will be felt in communities large and small across Canada.

During the summer, I had the opportunity to visit Nova Scotia and P.E.I. to talk directly with people involved in exporting sectors about the importance of this agreement. Take fish and seafood—as I mentioned, this is a critical sector in both provinces. The EU is the largest import market of fish in the world, valued in excess of \$18 billion last year. Just think of the benefits to the hardworking Canadians employed in this sector if we were able to expand their ability to export to this market. In fact, we met with Ian Smith, the chief executive officer of Clearwater, one of the world's leading seafood companies, based out of Bedford, Nova Scotia. Speaking for this major employer of hardworking Canadians, Mr. Smith said:

A trade agreement with the European Union would give businesses on the East Coast a level playing field on which to expand, compete and invest for growth and to benefit workers. We welcome the government's efforts to strengthen the transatlantic ties that make our economies stronger.

In P.E.I., I met with people involved in agrifood exports, which represent about 65% of P.E.I.'s exports. Potatoes are a good example, with worldwide exports of potato products reaching over \$52 million a year. However, due to tariffs of as high as 18%, only \$2 million of potatoes were shipped to the EU last year. Yet the EU market for potatoes is in the billions of dollars.

I visited Cavendish Farms in New Annan, P.E.I., a huge employer on P.E.I. In fact, it's one of the biggest employers in the riding of Malpeque, as my colleague Mr. Easter knows well, and one that relies on exporting its products around the world. Cavendish Farms currently exports to the U.S., the Caribbean, Central America, and Asia—but not to the EU. Our government is hoping to change that. In fact, the people at Cavendish Farms told me they've seen a surge in trade with Iceland, a 40% increase as a result of the agreement our government concluded with the European Free Trade Association two years ago—40%. Imagine what a trade agreement with the entire European Union would mean for a company like Cavendish Farms and the workers it employs. Cavendish Farms told me during our

visit that the EU opportunity is very significant to them. Just imagine what it would mean if the 40% surge that Cavendish Farms experienced in Iceland were to be replicated across the entire EU zone.

That's what I mean when I say trade is a kitchen table issue. It has a direct impact on people's jobs and how they provide for their families. Trade is key to protecting and strengthening their financial security and stability. That's why I'm pleased by our progress to date and very hopeful that we'll be able to conclude a truly ambitious agreement in the near future.

We've moved forward in several key areas, including goods, services, investment, government procurement, and many others. The negotiating text is well advanced, with a number of chapters closed. We've narrowed down the remaining chapters and isolated the key differences in our negotiating positions. We're actively seeking ways to bridge these last gaps. Let me tell you, the political will to do so is very much there on both sides.

With negotiations making excellent progress, I feel it's vitally important that Canadians understand the great benefits of this agreement and are not misled by those who fearmonger and misrepresent the immense opportunities that a free trade agreement with the EU will open up for Canadians.

Let me also be crystal clear on one point, Mr. Chair. Although there is still much to be discussed and negotiated with the EU, we will only conclude a free trade agreement that is in the best interests of Canadians. As I've made clear to the FCM and to municipal leaders, we're committed to preserving government powers and abilities to regulate. Canadian products, services, and commercial expertise are for sale. Our government's powers and ability to regulate are not. Foreign companies doing business in Canada, as always, must comply with all our laws and regulations.

Mr. Chair, let me conclude with these thoughts.

Free trade has been a powerful engine for Canada's economy. Indeed, it is the lifeblood of our economy. It is a kitchen table issue for Canadians.

• (1150)

In other words, Canadians intuitively understand that their long-term prosperity is inextricably linked to improved trading relationships around the world. History has proven it.

That's why I'm committed to broadening and deepening our trading relationships with emerging markets around the world. In fact, tomorrow I will be departing for China on a trade visit in order to help expand opportunities for Canadian workers and companies in that high-growth market.

Last week, I was in Japan and Indonesia, working to strengthen and expand our trade relationships with those markets. A month ago, I was in Latin America, exploring deeper relationships with that dynamic market.

But what we can't afford—and will not do—is to neglect our relationships with our biggest and most established trading partners: the United States and the European Union. That is why we're continuing to remain focused on broadening and deepening those trade relationships.

As I mentioned earlier, the potential benefits to Canadians under a free trade agreement with the European Union are immense. Canadian businesses, workers, and families in every region of our country will benefit from the tens of thousands of jobs that this agreement will create. The agreement will open up new markets for fish and seafood, potatoes and cherries, forest products and plastics, grains and oilseeds, beef and pork, and many, many other products that have, for the most part, been shut out of the world's largest common market.

Our government clearly understands that trade must be a win-win for both parties. That's why we're consulting broadly with Canadian stakeholders. I've personally spoken to my counterparts in most of the provinces, who have expressed support for an ambitious trade agreement with the EU. I've also consulted with the Federation of Canadian Municipalities, which understands the benefits of an ambitious trade agreement. We've also consulted broadly with key industry stakeholder groups and organizations to ensure their views are taken into account.

Mr. Chair, our government will continue to pursue its ambitious, job-creating, low-tax, pro-trade plan. We know that our plan is working, having created close to 600,000 new jobs since July of 2009. We will keep Canada's economy heading in the right direction, ensuring the long-term prosperity of all Canadians.

Thank you. I look forward to your questions.

The Chair: We want to thank you for coming in and sharing that with us. I can hardly imagine Mr. Easter not wanting to hear about potatoes in P.E.I. and the importance of this free trade agreement to that.

I do want to emphasize just how important this free trade agreement is to Canada.

The time is tight and I will only entertain questions that relate to the free trade agreement.

Mr. Chisholm, you have five minutes. We'll do the first round.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Thank you, Mr. Chairman.

Minister, thank you for coming.

I must say, though, right off the top, that it feels to me as if you've been trying to pick a fight with us on this trade stuff from the beginning. I will continue to say that we recognize, as do many Canadians, that there is a lot to be gained from trade and from this trade deal. I won't say it again, because I only have five minutes, but I want to make that crystal clear.

While I haven't talked to Ian, I have talked to John Risley from Clearwater about trade and international trade. You may know that John has expressed publicly his concern about the other side of the trade issue, and that is on the impact trade can have. He feels, as we do, that we need to understand what the impacts are. We have to understand what the positives of trade are and move in that direction and work closely with those sectors that will benefit.

It's our responsibility, I believe, to understand what the impacts are, because these are negotiations and there are trade-offs. I think you have to acknowledge that. There will be impacts. Now, you decide, right? Your negotiators and you will decide or we will decide whether those are the right trade-offs, and we'll have that debate. We want to try to make sure that people are paying attention to what some of those trade-offs are.

I think of things like the supply management issues. We can have a debate on whether, in the long run, supply management, protecting our dairy sector and others, is the right way to go. It's an area of some significant concern for Canadians. While they've heard some things, they're not sure, especially those sectors directly affected, whether those programs are in fact being protected or they are going to end up coming off the table.

There are issues around procurement. We've also talked with the Federation of Canadian Municipalities. These are real concerns people have, and they directly relate to the possible loss of jobs in our communities. I think it's fair that there be an open and transparent discussion about what those impacts will be.

With regard to intellectual property, Minister, especially as it relates to patents, but not just that, the impact on our health care system is potentially quite significant.

We need to know where you're going and where your negotiators are going on those issues.

• (1155)

The Chair: Okay, let's hear about that. You have a couple of minutes to answer. Go ahead.

Hon. Ed Fast: Thank you for that question. I appreciate that.

I want to make it very clear that I'm not picking a fight with anyone. What I am doing is promoting an agreement that I believe, if negotiated properly, will represent a huge win for Canada.

You suggested that supply management was something people could have a debate over. I can assure you that our government is not having a debate on supply management. We have made it very clear time and time again over the last six years that we will strongly defend our system of supply management. I can assure you of that.

On the issue of procurement, we are very much aware of the sensitivities at the municipal level. That's why I've consulted widely. In fact, I asked for a meeting with the board of directors of the FCM. As you know, that board is quite large. We met in Nelson, B.C., and we had a frank and open dialogue. I sensed that there was a general consensus that an ambitious trade agreement with the EU is something that will benefit Canada. I've also assured the municipalities that we are very sensitive to their particular concerns. Obviously, this is opening up a procurement market in Canada, but it's also opening up a procurement market in the European Union that is worth in the order of \$2.4 trillion—not billion but trillion dollars. It's a huge opportunity for Canadian companies to participate in a market that to date has been largely shut to them.

We have made every effort to make the process of consultation and the process of negotiation transparent and collaborative. In fact, I will state very openly that I believe this is the most collaborative and transparent process Canada has ever undertaken with respect to free trade negotiations.

The Chair: Thank you.

Mr. Keddy.

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

Welcome to the minister and welcome to our negotiators. It's a real pleasure to have you here today. I'm going to be sharing my time with Mr. Cannan, so I'm going to be brief. I do want to drill down into one point and I think it's important to note it.

I've been a member of Parliament for 14 years. We seldom have a minister ask to come to committee about anything. You broke the all-time record held by your former colleague, Minister Day, for coming to committee the quickest I've ever seen a minister come to a committee. For that, on behalf of the committee, I'm going to thank you.

It's nice to hear the NDP say they're going to support this CETA, that it's in the best interests of Canada.

I appreciate, Minister, that you came into Atlantic Canada, that you talked to the people on the ground and the message you received from them is much different from the message we get from the opposition critics.

I know Mr. Cannan has a number of questions he wants to ask, so I'm going to share the limited time with him.

• (1200)

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

Thank you, Minister Fast, for attending, as well as your assistants.

To Mr. Chisholm, I want to reassure that Mr. Fast is not a fighter; he's a lover.

An hon. member: How would you know?

Voices: Oh, oh!

Mr. Ron Cannan: That's what his wife said.

The Chair: I'm going to call the meeting to order here. I told you I'd limit the questions.

Mr. Ron Cannan: I know we're not here to talk about the NHL kicking off their season today, but I noticed in one of your speeches you were looking for a miracle in Toronto and having the Maple Leafs win the Stanley Cup this year. But we're going to focus on something more realistic.

Mr. Chisholm said there is a lot to be gained for all Canadians, 80,000-plus jobs, a \$12 billion, two-way economic boost to our economy of over 20%.

We both spent nine years in local government and we know the importance. I appreciate your consultation with the FCM, but also the provinces have a big role to play in the negotiations. Maybe you could inform the committee as to what the consultation process has been to date, including the provinces and territories.

Hon. Ed Fast: As I mentioned in my speech, I have consulted broadly with my provincial counterparts, but beyond that, as you all know, the provinces have been involved in these negotiations to a larger degree than they ever have been involved in previous free trade negotiations. In areas of their exclusive jurisdiction or partial jurisdiction, they have been participants in the process, and those consultations continue.

Those consultations also continue with our municipal partners because they also play a critical role and because this agreement will impact them. It will also provide significant opportunities for municipalities and their residents to create new job opportunities, a new value for their communities.

Mr. Ron Cannan: I had a chance last year to travel with some of the members of the previous trade committee over to the EU. The manufacturing sector has a lot to be gained. Could you elaborate a little bit more on some of the beneficiaries to our manufacturing sector from across Canada to this CETA agreement?

Hon. Ed Fast: As you know, Canada has a very strong manufacturing sector, especially in Ontario. Ontario, as I mentioned in my speech, will benefit in a very significant way in opening up new markets in Europe.

As you know, we're also leaders in terms of the auto industry. We're leaders in the area of plastics. We're leaders in the area of chemicals. There are so many different areas where we would like to open up new markets.

The European Union market essentially comprises 500 million consumers, of which 100 million would be considered coming from still emerging economies. That represents huge opportunities for business people in Canada to sell into that market. This is a new group of consumers who are looking to buy our products. One of the challenges is that we've had tariffs that have prevented us from having a level playing field in terms of competition.

There are also non-tariff barriers that prevent our businesses from competing fairly in the European Union. These trade negotiations are going to focus on both of those areas, not only the tariffs but also the non-tariff barriers that our companies have faced in trying to do business and to penetrate the European Union market.

The Chair: Thank you very much.

Mr. Easter, five minutes.

Hon. Wayne Easter: Thank you, Mr. Chair.

Thank you, Minister and the chief and deputy negotiators for CETA, for appearing.

On the CETA agreement, have you done any cost-benefit analysis that might be available to the committee?

Hon. Ed Fast: As we've said before, Mr. Easter, we have done internal analyses of many parts of the negotiations that are being considered. Moving forward, I've made it clear that we will not be signing an agreement unless it is in the best interests of Canada.

Hon. Wayne Easter: How can you determine that if you haven't done a cost-benefit analysis?

• (1205)

Hon. Ed Fast: As I mentioned, Mr. Easter, we are doing internal analyses on a regular basis, as these issues—

Hon. Wayne Easter: So it's not available.

Hon. Ed Fast: No, they're not available to this committee.

Hon. Wayne Easter: Mr. Chair, we can talk to the chief negotiator and the deputy negotiator on the CETA agreement, but as the minister said in his own remarks, we can't neglect our relationships with our biggest and most established trading partner, the United States, and it is the minister who's here.

The trade department's own analysis shows that where the United States market accounted for 74.9% of Canadian merchandise exports in 2010, by 2040 the U.S. share of Canadian exports is expected to be 75.5%. So while I congratulate the minister in his efforts worldwide, the fact of the matter is that the United States is going to continue to be always our main market, according to your own department's estimates. So I have to ask you, Mr. Minister, on the topic...number one, I think the Department of Foreign Affairs and International Trade have been asleep at the switch in the Buy American issue, because on June 28—

The Chair: I'd encourage the member to keep his questions to the EU deal.

Hon. Wayne Easter: The minister is here, Mr. Chair, and he is the only one who can answer on this issue—

The Chair: Have you a question on the EU trade deal?

Hon. Wayne Easter: I've got lots of questions on the EU—

The Chair: Then I think you should get to those.

Hon. Wayne Easter: —but they can go to the negotiator, and if we're going to.... What's that old saying, fiddling around while Rome burned? Well, I believe the Government of Canada is missing and killing Canadian jobs by not paying attention to what's going on in the United States. That's our most important market.

The Chair: You mentioned that before, but the minister is here on the EU and the time is tight. Do you have a question on the EU or not?

Hon. Wayne Easter: I will disagree with you, Mr. Chair—

The Chair: That's fine. You have the right to disagree with me, but—

Hon. Wayne Easter: —and I think you're wrong. It never happened before that a chair prevented a minister from answering questions, but we'll get to that at another stage.

Let me turn back to the CETA.

You've said, and the government has said several times, that supply management is not on the table. Then let me ask you this question, and we know common agriculture policy's not on the table: are tariffs relative to dairy products, eggs and egg products, and poultry part of the discussions with the Europeans?

Hon. Ed Fast: Mr. Easter, as I mentioned in my speech, as the Prime Minister has articulated many times, as the throne speech—

Hon. Wayne Easter: That's not my question.

Hon. Ed Fast: Mr. Easter, let me respond. We've made it very clear that we will defend Canada's system of supply management.

Hon. Wayne Easter: But defending—

Hon. Ed Fast: It is an unambiguous position. I know you would prefer that it be ambiguous so you can turn it into a story—

Hon. Wayne Easter: No, no.

Hon. Ed Fast: —but we have taken a very strong position on supply management. Not only that, we have consulted broadly with the supply managed sector—

Hon. Wayne Easter: That's fine. Mr. Minister, supply management is made up of three pillars. One of them is tariffs. I'm asking you the question directly, are tariffs relative to egg and egg products, poultry, and dairy products part or not part of the discussions?

The Chair: I'll ask the member to address his questions through the chair, so we don't give the control away here.

Hon. Ed Fast: Mr. Easter, I can tell you with absolute certainty that we have made no concessions on supply management.

Hon. Wayne Easter: That's not my question.

Hon. Ed Fast: It is your question.

The Chair: Very good.

Mr. Shipley.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you very much, and I thank you, Minister, for coming today.

In your presentation to us this morning you talked about Ontario leading in terms of all provinces—\$12 billion of goods exported to the EU—and that we expect all industrial tariffs to be removed. The word is “expectation”. You’ve indicated your discussion not only with the industrial users but with the provinces.

Can you tell me a little about the provincial response, in terms of Ontario, to the discussions around the CETA agreement?

Hon. Ed Fast: I’ve spoken to Sandra Pupatello, my counterpart in Ontario, and she understands that an ambitious free trade agreement with the EU will be beneficial to Ontario. Manufacturing in Ontario accounts for 94% of the province’s total goods exports and 58% of Canada’s total manufacturing exports.

If we can build on that by opening up this huge market, the largest common market in the world, you can imagine the benefits not only to Ontario but to every other province. I have a list of products in each of the provinces that will stand to benefit from greater access to the European Union. Once Canadians understand how critical this agreement is to their long-term prosperity, they will see that the opposition being raised in certain quarters in Canada is simply ideologically based. It isn’t based on the merits and the facts of the arguments.

• (1210)

Mr. Bev Shipley: It was asked by the opposition what the benefits are. You talked about boosting our economy by \$12 billion per year. A trade increase of \$38 billion, a 20% increase, could mean an increase of \$1,000 per average Canadian. That’s incredible, not to mention about 80,000 new jobs. Those are pretty ambitious numbers—spectacular, quite honestly. Any Canadian could look at that and ask why we didn’t do this before, if it means so much to our economy.

How did you come up with those numbers? Are they reflective of what they will actually be?

Hon. Ed Fast: Those numbers come out of what is called a scoping exercise. It’s a study that’s done as a precursor to free trade negotiations. What that scoping exercise does is estimate the impact on the industries and the added value of increased trade in each of the countries. I think the scoping exercise is an extremely conservative estimate of the benefits that will accrue to both the European Union and to Canada. We believe that the opportunities may even exceed what this scoping exercise reported. There are huge opportunities for Canadians to tap into this huge market, the largest in the world, which we presently don’t have significant access to.

Mr. Bev Shipley: I’m going to pass it on, if there’s time.

The Chair: There’s one minute.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair, and thank you, Minister.

Minister, we have this ambitious free trade agenda and there are all kinds of benefits that we understand. We thought the NDP didn’t understand it, but it seems they do understand and they’re coming onboard. However, the Liberal member is going off somewhere.

Can you tell us how you had these things done so fast?

Hon. Ed Fast: Well, Mr. Shory, it’s not only my name that’s Fast. Ever since our government was elected in 2006, we have focused on

trade. Trade is critical to our long-term prosperity. If we want to see economic growth, if we want to create jobs, we’re going to have to identify new markets and we’re going to have to shore up existing markets and expand them. That’s why we’ve been aggressive in exploring new trade relationships. We’ve negotiated trade relationships with nine different countries and we’re negotiating with many more. It is my hope that as we do so we will continue to build long-term prosperity for Canadian families, who rely on trade and economic growth to pay off mortgages, to send their kids to college, and to save for retirement.

The Chair: Very good.

Thank you, Minister, for coming in as quickly as you have and for answering these questions. We regret the votes, but we all want to respect your time as well as the committee’s time. Thank you for coming in. We’ll suspend now for a couple of minutes.

Hon. Wayne Easter: Mr. Chair, the minister said he had a list of products that will benefit. Could he table that list of products with this committee?

The Chair: Well, we can ask that, but we’ll suspend now for a few minutes.

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_____ (Pause) _____

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• (1215)

The Chair: I call the meeting back to order.

We have with us, from the Department of Foreign Affairs and International Trade, Mr. Steve Verheul, chief trade negotiator, Canada-European Union, and Ana Renart, deputy chief trade negotiator, Canada-European Union.

With that, we’ll entertain your interventions at this time and then we’ll go to questions and answers.

Please go ahead.

Mr. Steve Verheul (Chief Trade Negotiator, Canada-European Union, Department of Foreign Affairs and International Trade): I’m sorry, Mr. Chairman, but I think the understanding was that there would be no opening comments from my side.

The Chair: That’s fine. I wasn’t aware of that. If you want to go right to questions and answers, we’ll go to Mr. Chisholm.

Go ahead.

Mr. Robert Chisholm: Thank you, Mr. Chair.

Thank you very much for appearing. I’ve been looking forward to the opportunity to speak with you and hear a bit about the negotiations.

I want to start with a couple of things. I was reviewing your testimony before the committee in November. You stated that no analysis had been done by the department with respect to the potential additional costs to the health care system of the extension of patent protection under intellectual property. I'd like to know if that's still the case or whether something has been done.

There has been some work done by other groups about what the potential impact will be on our health care system. I'm hoping you have a handle on that.

Mr. Steve Verheul: Thank you very much.

There has been some ongoing analysis on all of the issues, of course, as the minister indicated. But on this particular issue, since we have not made any concessions in the negotiations to date on that issue, we haven't done any in-depth, extensive analysis because we have no intention at this point to move in that direction.

Mr. Robert Chisholm: I appreciate that. Let me, however, register this concern. It has been said many times through these negotiations that you have your formal face-to-face meetings—there have been eight rounds and there will be nine—and once those are done, that's when the horse-trading starts.

I have to tell you that I would hate to think there's going to be horse-trading with an issue as important as the extension of the patent protection rules on pharmaceuticals, given the potential impact. Who knows what exactly that's going to be? I have to tell you that I'm concerned we're going to move into that phase and you and your officials won't know the true impact. Let me just leave that with you.

I also want to ask you about one of the issues around fish. The minister talked about the east coast, and I know, from talking with officials and companies on the east coast, that there certainly is some interest in having increased access to markets. There are also issues around ports and access to ports and the whole question of rules of origin. I wonder if you could please explain what progress you've achieved on these issues and whether those concerns have been resolved.

Mr. Steve Verheul: At this point, we are fairly advanced on the fish issues, and certainly we have had an offer from the European Union that offers the potential to go to complete duty-free access across the board on all fish products, which is of extreme interest to us.

The EU has raised a number of concerns with us with respect to fisheries-related issues, including some investment restrictions and the access to ports issue, to which you referred, as well as some minimum processing requirements maintained by some provincial governments. We're working our way through those issues. At this point, we're quite confident that we'll be able to come up with a package that satisfies both sides.

• (1220)

Mr. Robert Chisholm: Thank you.

Again, you stated in your testimony last November that you were looking at modifying the kinds of investment protection provisions used in free trade agreements. Could you expand on what types of modifications you're looking at or proposing for this round?

Mr. Steve Verheul: Sure. We actually haven't made a lot progress in that particular area because on the EU side they only recently gained a mandate from member states to negotiate in this area of investment protection. Prior to that, they had no mandate, and the competence previously rested with member states.

The EU received their mandate I think on September 12, a little less than one month ago, and we had our initial discussions on investment protection last week in Brussels. So those discussions are at the very early stages. The EU does come from a different perspective than we do—in some ways—on investment protection, but we've been struck from our initial discussions about how close we are on most of the major issues.

The Chair: Thank you very much.

Mr. Shipley.

Mr. Bev Shipley: I notice a lot of interest, so I'll keep to the point here.

I talked earlier with the minister regarding manufacturing in Ontario and the significance of what manufacturing means across this country, not only to Ontario.

When my colleague across the way talked about supply management and about where our position is on it, I was struck by his words. He said "Is it the right way to go?" I'm not sure what that means, but in my mind, when I listen to that I'm not sure that the NDP is actually as solidly behind supply management as we are. The minister reinforced it. I don't need to ask you to reinforce it.

In agriculture we're also talking about beef, pork, grains, and oilseeds. Can you help us a little bit and expand on the value that means to the agriculture community and to that industry?

Mr. Steve Verheul: Thank you.

Yes, we've been holding intensive consultations with the agricultural sector on the benefits they could foresee in this negotiation and eventual agreement. We heard virtually across the board that there is very strong interest in the EU market—everything from the grains and oilseeds sector...beef is certainly very large, pork is of significant interest, fruit and vegetable producers are coming to us, and we heard about potatoes earlier today. What we need to bear in mind is that the EU market is not necessarily one of the easiest markets in the world to get into. So while those tariffs will be gone, we will have to also achieve what we need to achieve on other related issues—non-tariff barriers, technical barriers to trade, some sanitary and phytosanitary barriers to trade—and we're looking at all of those.

The message we've been giving to the agriculture sector, and even more importantly to the EU, is that we are negotiating real market access—not just removal of tariffs, not just removal of border measures, but whatever it takes to get into the market. The agriculture sector sees great potential in the EU market, given the size of it.

Mr. Bev Shipley: Thank you very much.

The Chair: Mr. Holder.

Mr. Ed Holder (London West, CPC): Thank you, Chair, and thank you to our guests.

Mr. Verheul, it looks as if you're doing the primary responding, but either of you certainly is welcome to do that.

I listened with great interest to what the minister said. I've been on this committee now for some three years, and we've had a lot of discussions around the issue of the EU and the agreements. I was struck by one thing in that Canada's trade represents well over half of our gross domestic product, that one in five jobs is dependent on trade.

My question of you is this. I heard the minister speak in terms of 80,000 new jobs being created as a result of this, and maybe it would have been a fairer question for the minister, but if you've done some of that backup work, can I ask how we came up with that statistic? Eighty thousand new jobs is significant, but I just wonder how we came up with that number.

• (1225)

Mr. Steve Verheul: That number is also derived from the Canada-EU joint economic study that we completed before we initiated the negotiations. That was a very in-depth examination across the economy of the benefits that could be gained on both sides in this negotiation, by top economists both in Europe and in Canada. When you take the kinds of GDP gains that were foreseen in that study, you can then extrapolate what that would most likely mean in terms of jobs. That's where the number of 80,000 jobs came from.

But as the minister stated earlier too, our view is that that study probably underestimated the gains by a significant amount, because one of the assumptions made was that the Doha Round of WTO negotiations would have been completed. Since that has not yet happened, the gains we will see out of this negotiation are that much greater because tariffs won't be cut by the Doha Round in any near future, so the advantage we will have over other trading partners will be that much greater.

Mr. Ed Holder: In what sectors particularly would you imagine the greatest growth? One might assume agriculture, but where might we assume the greatest job growth would come from?

Mr. Steve Verheul: Certainly agriculture would be a significant one. Fish and seafood will be very important, particularly to the east coast. Probably the greatest job gains would be in the manufacturing sector where we'll have access and a preferential edge over other suppliers, in particular the U.S. That potential allows us to produce and export to the largest market in the world. Those job gains will be significant.

The Chair: Thank you very much.

Mr. Chisholm.

Mr. Robert Chisholm: Thank you, Mr. Chairman. I did want to say that regardless of the game playing by the members opposite, on this side we in no way will back away from protecting the supply management sector. In fact, you're going to see that as we stand up against the attempt by this government to do away with the Canadian Wheat Board. People in the industry are saying the Wheat Board is coming, so what's next under supply management?

Let them play games and try to distract farmers, but people in agriculture understand exactly where the threat is, and that's from the Conservative government.

Let me ask you about the whole question of regulatory controls. Are there disagreements with respect to specific professions or designations in that whole discussion?

Mr. Steve Verheul: That's been a big focus of our discussions with the EU, and in particular we have attached a lot of priority to labour mobility as part of the outcome of this agreement. We are very close to finalizing a chapter on mutual recognition of qualifications, which will allow a framework to be established for architects, engineers, various professions, skilled technicians, to be able to work in each other's market. So an architect licensed in Canada would be able to work in the EU as an architect, and that has been a big part of what we're trying to achieve. It's also a very high priority of the provinces and territories as well.

Mr. Robert Chisholm: Could you please explain where things are with regard to the issue of cultural exemptions as it relates to Quebec? I know these are also concerns of some of the member states in the EU. Please talk a bit about that.

Mr. Steve Verheul: Sure. We have had some discussions on the cultural exemption, and we come to this negotiation from a somewhat different direction from the EU. Traditionally the EU doesn't have a broad cultural exemption in their free trade agreements, as we do. They have a fairly narrow one that only applies to those chapters where it has immediate relevance. So one of the things they've done with us is question why we need an exemption that cuts across the entire agreement when it has no relevance for a number of the chapters, and in particular they have some concerns that there could be contradictions in a chapter on intellectual property rights that would provide value to artists and other cultural sectors.

So this is a discussion more over form than substance. As you say, there is a lot of sympathy within the European Union for maintaining the ability to pursue cultural interests and to protect culture, and in fact we've worked on cultural issues in other international forums with the EU for many years. I was in France earlier this week. They certainly reconfirmed to me their interest in protecting culture in this negotiation, so we have a lot of common cause on that issue.

• (1230)

Mr. Robert Chisholm: In that regard, we've certainly heard from some in the music industry and others in Canada about the issues of copyright being on the table. There are some serious concerns. Bill C-11 is before the House. People in the industry are quite concerned about that, but they're just as concerned, if not more so, about those issues being on the table in these negotiations with the EU.

I wonder if you could perhaps give us some indication of where those discussions have taken you.

Mr. Steve Verheul: Yes, the EU has certainly expressed concerns about our copyright law, as have other governments around the world, and that's partly because we haven't updated that law for many years, and obviously technology has been moving at a fairly quick pace during that period. So I think there is a shared recognition and a desire to update some of the copyright protection we have. The EU was of course very interested in the bill that was tabled last week. It contains many elements they would welcome and have been looking for. I don't think it contains all the elements they're looking for in the area of copyright, so we'll probably be having some further discussions, but we don't expect this to be a major challenge in the negotiations.

The Chair: Thank you.

We'll go to Mr. Keddy.

Mr. Gerald Keddy: Thank you, Mr. Chairman.

Welcome, again, to our witnesses. Thank you for the good work you're doing on this agreement.

I'm going to enjoy these committee meetings because correcting the NDP record is going to be a matter that I think will be quite a bit of fun.

I want to go back to supply management for a brief moment. As a government, we've been solid on supply management. I've talked to farmers across the country in the supply managed sector, and every single one of them has been pleased, more than pleased, with the position and direction our government has taken on supply management.

To compare it to the Wheat Board—for someone listening who doesn't have an agricultural background or just refuses to look at the facts—is just an unfair comparison, because the Wheat Board is not national, and supply management is from coast to coast. The Wheat Board doesn't exist in Quebec and it doesn't exist in Ontario, so those farmers have an exemption. They can sell their grain or their barley or their wheat wherever they want, and that's the difficulty. No one is talking about getting rid of the Wheat Board, that I've heard. It's that there'll be a dual system so that farmers will have a choice. Apparently choice is a dangerous thing in a democracy.

Half-truths and misinformation aren't going to solve the problems here.

We do have some issues, in the fishery in particular. I've spoken to a number of stakeholders in the fishery this year, from B.C. to Newfoundland and Labrador, Nova Scotia, P.E.I., and New Brunswick.

My understanding is that in all areas of this agreement we're looking for reciprocity and a recognition of the regulatory regimes. That's a recognition of the regulatory regime, the equivalent of CFIA on the European side, and of course recognition of CFIA on our side. I suspect that some of those areas are going to be a little bit more difficult in negotiations than some of the ones we want to discuss.

Can you just give us a little more background in recognition of the regulatory process?

Mr. Steve Verheul: Yes, I'd be happy to.

This is one of those areas where we've focused a lot of attention, because as I mentioned earlier, access to markets is not just about what you do at the border with tariffs. To get effective access and to be able to compete, you need to deal with the regulatory issues.

When this agreement is completed, we will have, for the first time in any free trade agreement we're aware of, a full chapter on regulatory cooperation. That's intended to set up a situation so that EU and Canadian regulators can start in on issues from the beginning, before they become problems, and try to go in the same direction when new regulations are being developed. That's certainly one of the innovative things we're doing in this agreement. The other, and probably more important one, is that for the first time, the EU is also talking to us about recognition of conformity assessment bodies. In other words, for many of our products that we wish to sell to the EU, we won't have to go over to the EU and get that product tested and approved to meet EU regulatory standards. We'll end up being able to do that at home. That will save a lot of money, a lot of time, and will be a significant advantage for many of the sectors of our economy that require this kind of testing.

We've had a very strong focus on regulatory cooperation, and regulatory standards generally, and we have made it one of our top priorities in the negotiations.

• (1235)

Mr. Gerald Keddy: The other issue mentioned by the NDP member, of course, was with regard to fish: our rules of origin and traceability.

After speaking to the industry and to fishermen, I can tell you that not a single processor I spoke to, not one, said that it was an impossibility to separate the product line. If they're buying fish out of the U.S. or they're buying fish from Alaska or they're buying fish from the Gulf of Maine from American vessels, that's coming by the boatload or by the container load, or it's already processed and frozen, and it's very easy to separate out of the product line.

I didn't look at it as being unreasonable on the EU's behalf in these negotiations to ask if they're going to allow in Canadian fish, caught in Canadian waters, tariff-free. They need to make sure that this is not adulterated, if you will, with product coming out of the U.S.

I don't know if you've—

The Chair: That's very good. Let's let him answer.

Mr. Steve Verheul: The rule-of-origin issue has been a challenging one across many sectors. It comes partly from the fact that just as the EU 27 member countries have integrated their market, our market is to a large extent integrated with the U.S., especially in some sectors. This has added another element of challenge to rules of origin.

As to fish, there are many species that are strictly Canadian. There's little trade back and forth before they're put onto the market. Much of our processed shrimp, for example, is not involved with cross-border trade with the U.S. Other species, like lobster, are different. We catch some lobster in U.S. waters and eventually this catch comes through our processing system.

Certainly, the ones that are Canadian and meet that definition in the negotiations will have full duty-free access. But we're also trying to work out a process whereby even some of the fish caught in other waters but processed in Canada will have access to the EU market.

The Chair: Thank you.

Mr. Holder.

Mr. Ed Holder: One of the things that struck me when the minister spoke was the issue of procurement. We haven't talked a lot about it in this session today. I was surprised to hear that the potential in the EU was \$2.4 trillion. That is staggering to me, and I think it tells us why this is so important.

From the standpoint of the Canadian government's negotiations on procurement, can you clarify what our involvement with the provinces and territories has been? We've heard some concerns in some corners about procurement being an issue that would put Canada up for sale.

As for opportunities on the European side, could you help me understand what those opportunities are? But before you do that, could you explain who we've been talking to on our side? Has this been a comprehensive dialogue with all of our partners in Canada, including the provinces and territories?

Mr. Steve Verheul: Yes, it certainly has. We've spent at least a few days every month with the provinces and the territories in face-to-face negotiations. We've spent a lot of time going through these issues, and government procurement has been one that we spent more time on than others. When we put an offer on the table with the EU on government procurement, it is fully endorsed by the provinces and the territories, which were a great help in constructing those offers. So the consultation process has been unlike any we've ever had before on these issues.

With respect to government procurement, bear in mind that we will be opening up some markets to the European Union, but for the most part we're not anticipating any big changes. Our procurement system in Canada is largely open to begin with. Municipalities, provinces, and the federal government often have contracts with foreign suppliers, so we're not anticipating a huge change.

Within the government procurement chapter that we're preparing, there would be a number of flexibilities available to municipalities or any level of government. You could have contracts that are completely unrestricted below the thresholds that will be set in the negotiations. Municipalities or other contractors would be able to set out the terms of the tender, what they expect to receive. As far as contracts go, they can include social and environmental factors, job training, and assessing relevant experience, which may only be available locally. So we're building in a lot of flexibilities.

•(1240)

Mr. Ed Holder: Do you think the upside is for Canada going into the European market versus the other way around, based on your comments about how open our system is already?

Mr. Steve Verheul: I think you pointed out the most relevant fact yourself. It's a huge market in the EU, \$2.3 trillion. That is a market that we have left virtually untapped up until now. It's not just a market of direct sales from Canada to the EU. There are a lot of

global value chains that go into and end up in those contracts, and we need to be part of more of those.

Mr. Ed Holder: I'm not at the table myself, and I can't imagine what these negotiations would be like. I'm trying to understand what the most challenging aspects would be for doing this deal.

We've set 2012 as the date for this to be completed, and we've done eight rounds. Is 2012 realistic? Are there impediments to that target?

Mr. Steve Verheul: As far as the most challenging parts of the negotiations, I think if you talk to anybody involved in negotiations of this type, the most difficult is the work at home. It's all of the consultations you need to establish your positions, and all the work we need to do, especially in our case, with provinces and territories, to make sure we're lined up in the right direction. By the time you actually get to the negotiating table with the other side, that tends to be the easiest part. You're well prepared, you know what you need to do, and you understand clearly what your objectives are. So the hardest part is lining up all of the domestic support behind you.

On the deadline of finishing negotiations by 2012, we do feel this is quite realistic. We had a discussion in Brussels last week with my counterpart, and he is of the same view. The Europeans want to move very quickly on this negotiation to finish it, as do we. So after the October round, we will be entering into an even more intensive phase of the negotiations, aimed at reaching agreement on most of the major issues by the first couple of months of next year.

Mr. Ed Holder: Thank you very much.

The Chair: Thank you very much.

Monsieur Ravignat.

Mr. Mathieu Ravignat (Pontiac, NDP): Thank you for being here.

The danger with the speed at which we're going forward with this is in missing some major points when it comes to defending Canadian interests in this trade.

I'm particularly concerned about cultural issues. You talked about the concerns the Europeans had, but culture represents a very large industry here in Canada. Culture is a source of our identity. There are issues with preserving that.

I'd like to know whether you've done an analysis of what those figures represent for the Canadian economy, and what's potentially going to be lost, particularly if the copyright issues are not upheld from our end.

Mr. Steve Verheul: On the cultural issues, we've spent a lot of time consulting with cultural industry representatives. I had the most recent meeting with them about a month ago in Toronto. I think that's the third or fourth meeting I've had with them that has gone into great detail on what they see as potential issues of concern with respect to culture. So we've factored that into our own analysis of the cultural issue.

But again, on culture, the EU, and in particular some member countries, such as France, Belgium, and a number of others, attach a great importance to culture and having the freedom to allow cultural expression without restrictions.

● (1245)

Mr. Mathieu Ravnat: Thank you for the answer.

Would it be true that we're not placing enough importance on our own culture in our trade negotiations? And is it not perhaps true that Canada is not fulfilling its obligations related to certain copyright agreements that are already in place? I'm thinking about the Berne agreement, for example.

Mr. Steve Verheul: Sorry, I missed that last part.

Mr. Mathieu Ravnat: The Berne agreement, related to copyright issues.

Mr. Steve Verheul: I don't think there's been any suggestion that we haven't been meeting our cultural obligations. I haven't heard that from any of the cultural representatives. I haven't heard it from any organization. In fact, I think there's a recognition that we're very strong on protecting our cultural interests in these negotiations. I think the Europeans would be the first to acknowledge that. So we do have a lot of common interest in this.

The one caveat I would mention is that beyond the kinds of cultural exemptions that we negotiate in an agreement like this, there's not a real desire to do much more, mainly because I think a lot of cultural representatives are a little uncomfortable with including a lot of cultural provisions in a trade agreement. It fits better in joint cooperation agreements, joint production agreements, some of the issues with the UN convention on preservation and promotion of cultural diversity. Those are the areas we can advance our cultural interests in much more effectively.

Mr. Mathieu Ravnat: Thank you.

The Chair: Thank you.

For the committee's information, we have three more questioners and our time is tight. We have a small in camera session. If I can ask for three minutes in the last three, we'll get them in.

Mr. Shory.

Mr. Devinder Shory: Thank you once again, Mr. Chair.

We on this side understand that this CETA agreement with the EU will be of enormous benefit to Canadians. Of course, we also understand that the opposition NDP has to look after some special interest groups, and they are doing their job. At the same time, it was amazing to hear the minister talk about 80,000 new jobs and a \$12 billion increase to trade. He also mentioned that an average Canadian family will have \$1,000 extra income.

Also, I agree with the minister that free trade is a kitchen table issue. And I had to ask him the question of how he gets these things done, unlike in the past. Anyway, the record shows that in these last six years, our Conservative government has signed nine free trade agreements. As the minister mentioned, and as I'm sure you are also aware, we are in negotiations with so many other countries, which proves that we understand.

Mr. Chair, the government has set a target to sign the CETA agreement with the European Union by 2012. Number one, is this timeline achievable? And also, for the benefit of my friends across the table, does our Conservative government have a mandate to sign these agreements?

Mr. Steve Verheul: First, on the deadline, I think it's clear that we are within range of that deadline. We're very well advanced on the text of the agreement. We're well over half finished on the chapters. In the remaining chapters, only a small number of differences are separating us.

We've tabled offers on government procurement and goods. We're about to table offers on services and investment. Those will all be on the table.

We will enter a much more intensive focus process after the October round. The negotiator on the EU side and I both feel that we can certainly meet the target of early next year to finish the negotiations.

I'll just add the caveat that you never quite know if you might get hung up on a particular issue, and that could cause some delays. But I think there's a lot of momentum behind these negotiations, and both parties are committed to completing them.

● (1250)

The Chair: Thank you very much.

Mr. Easter.

Hon. Wayne Easter: Thank you.

Steve, I will begin by saying that you've always been forthright and accessible within reason, and we appreciate that.

On the question of pharmaceuticals, the generics, as you know, said it will cost Canadians \$2.8 billion annually. That will fall back on our health care system. We've met with the pharmaceutical representatives, and they're saying something different, a far lower amount.

I asked you on November 15 if you had done any analysis, and you indicated at that time that you had not done any analysis internally in the department on that issue. Has any been done yet, and is it available?

Mr. Steve Verheul: We have certainly seen all of the analysis provided by both sides of the issue, and we have been assessing that. We have certainly been doing some internal analysis on different potential avenues that the negotiations could follow. But given that at this point we have not made any concessions in this area, it's a little unclear what we would analyze, because we have made no moves and we may not make any moves on this issue.

Hon. Wayne Easter: Okay.

The other question comes back to this whole issue of supply management. It's easy to use those words, but as you know, what makes supply management work is import controls and tariffs. First, are import controls in the negotiations? Second, are tariffs part of the discussions?

Mr. Steve Verheul: First I'll make the comment that both sides agreed very early on in the negotiations that we wouldn't prevent discussions on any issue in the negotiations, so we have had discussions on issues that are sensitive on both sides. But when it comes to dairy in particular—and it also relates to beef and pork in the EU—we have not had any in-depth discussions whatsoever to this point.

Hon. Wayne Easter: So there will be 20 or 30 issues at the end of the day that you're not able to deal with at the negotiating level, and this could be turned over in fact at the end of the day to the political establishment on each side. Our concern is that the European Parliament will have a veto and a say. Ours will have really nothing to say. Is that correct?

Mr. Steve Verheul: The European Parliament will indeed have to ratify the agreement.

Hon. Wayne Easter: We can't get smiles on the record.

Go ahead.

Mr. Steve Verheul: I wasn't quite sure what the question was.

Hon. Wayne Easter: There was a question. The bottom line is this. At the end of the day, I doubt if you will get to agreement at your discussions on the issues that are left, which will no doubt include tariffs, import controls, on sensitive commodities. The final decisions on that will then be turned over to the political establishment in both countries. Is my analysis correct?

Mr. Steve Verheul: Well, our intention on both sides as negotiators is to complete as much of this agreement as we possibly can and to have some hope that we can do it all. As in any negotiation that includes some difficult issues, chances are that we may need some political direction on a handful of issues before it's done. As to which issues those will be, we'll have to wait and see.

The Chair: Thank you very much.

Mr. Keddy, you have a couple of minutes.

Mr. Gerald Keddy: Thank you, Mr. Chairman.

I listened to the question on culture. It has been mentioned a couple of times, and I'm always amazed that we still have parliamentarians who don't have faith in Canadian culture. We heard the fear-mongering when we signed the free trade agreement with the United States. We were going to become Americanized. We were going to be absolutely bulldozed by American culture, and that didn't happen.

Now we're signing an agreement with an organization of states that has 27 member states. They have over a hundred languages. They have probably as many distinct cultures, and somehow they're going to overwhelm us. I would expect that the Europeans would be more afraid that they may become Canadianized.

• (1255)

Mr. Mathieu Ravignat: They're 500 million. We're only 30 million. Do the math.

Mr. Gerald Keddy: Anyway, I've not seen a fear on either side, except for fear-mongering, that culture in any way is going to be affected by this. It's just sheer and utter nonsense. But the idea that we will have issues that we won't be able to agree on, supply management, I'm sure, being one of them...and we will certainly protect Canada's interests. The Europeans have a number of issues on their side that we probably won't be able to agree on.

When it comes to the end of the day, you're an expert in negotiations. You've been through these a number of times. I'm not asking for individual issues.

Is that what you would expect? They have sensitive products. They have a number of them. We're not going to be able to gain access on those products. And we will have sensitive products and they're not going to be able to gain access on ours.

But I would say, for supply—

The Chair: Let's get the answer there. Time is about gone.

Mr. Steve Verheul: It's always difficult to predict the very end of the negotiations, because those are the hardest decisions, and most frequently the most politically sensitive as well, but we do anticipate that by the time we go as far as we can go as negotiators, there will be a handful of issues left. At this point, I think we would hope to find solutions, or at least propose solutions to as many of those as possible. But absolutely, there are sensitivities on the EU side, there are sensitivities on our side, and I think it's clear that neither side will get everything it wants in the negotiations. That never happens. The point is you get as much as you possibly can.

The Chair: Thank you very much. I want to thank the department for coming in and giving us this briefing. That is very valuable as we move forward on this important issue.

Now, I have distributed to the committee some business that we have to do, which are really some budgets for witnesses. I really don't see the need to go in camera. If anyone here sees a need to go in camera, we can consider it. If not, we'll just do these in a public meeting.

Fair enough?

Some hon. members: Agreed.

The Chair: Okay. We'll do them in three motions.

Hon. Wayne Easter: Can you explain a little bit?

The Chair: Go ahead.

We'll ask the clerk to explain.

The Clerk of the Committee (Mr. Paul Cardegnà): We've developed three budgets. They are study budgets, each for a study. The first one is the trade commissioner service study. The second study is on the comprehensive economic and trade agreement with the European Union. The third study is on the trade relations with Brazil.

With regard to the first and the third, the trade commissioner service and the trade relations with Brazil, as we don't know how many witnesses the committee is going to hear—and the committee has planned to have only one more meeting on each—we put an amount in for five witnesses, and an unspecified amount we usually put for a witnesses is \$1,200 for witness expenses for travel. That, of course, comes out to \$6,000. We put in three working meals, which is the maximum we can allocate for any study budget before it has to go to the liaison committee, which come to \$1,500. And we put a \$200 charge for the event that the committee does report, which is a standard charge that comes from the publications department, which prepares the report.

So for those two studies the amount requested is \$7,700 for each. That would be for the trade commissioner service study and for the trade relations with Brazil study.

With regard to the third one, the study of the comprehensive economic and trade agreement with the European Union, we have received a witness list from one member. I do know there is apparently another witness list coming in. As there were more witnesses involved, we decided to do a generic breakdown, which you can see, of two people from Vancouver, two from Calgary, two from Toronto, two from Montreal, and two from Halifax. The reason for that is it's a blanket amount. We can take those amounts and use them with any witness coming from whatever city. It was just to give us an indication of how much we might need.

Mr. Gerald Keddy: Do they get themselves to that city?

The Clerk: No, they actually come directly into Ottawa, but we use this just for budgeting—

The Chair: This is for budget purposes so that we can cover the entire country when it comes to reflecting witnesses, but we're not bound by this. It is just a budget number.

Okay, please be very quick, Mr. Easter.

• (1300)

Hon. Wayne Easter: I don't have a problem with this, but are we going to have a budget prepared? We did pass a motion on Buy American, which would bring in the ambassador and a number of other witnesses and a report back to the House. Is there a budget being prepared for that?

The Chair: When we get a meeting scheduled for another Buy American meeting, then we'll address that prior to—

Hon. Wayne Easter: On that point, though, we have a motion to that effect, that we have a report to the House, so when are we going to see that?

The Chair: We don't have anything scheduled on the timing of that. We'll prepare a budget when the next meeting is set by the

committee. The motion is there but there is no timing on it, so when we get the timing on it, then we'll deal with that.

Mr. Holder.

Mr. Ed Holder: Thank you, Chair.

I saw nothing in there for video expense, but obviously for some of our guests who we ask to attend, sometimes that could be equally effective. Can I presume that if we want to allocate for that, versus a flight and associated expenses, we could flow it into that...?

The Chair: The clerk is saying the video expenses can be taken out of travel expenses. We're not bound by it. These are kind of numbers to be able to allow the committee to actually do its work with regard to these studies, and they are small enough that we don't need to go to the liaison committee. We can do it here. That's why it's here, just to allow the committee to continue with the work.

We would entertain a motion.

Hon. Wayne Easter: I have another point, Mr. Chair.

I don't believe we have timing on these either.

The Chair: I believe we do. They are in the motion that the committee adopted on September 27.

Hon. Wayne Easter: I'll go back and look at the motion.

The Chair: Yes, go back and look at the motion. We do have a date on it.

Hon. Wayne Easter: As you know, the Buy American issue is crucial. It's immediate. We need government action. We need some responses, and it should—

An hon. member: Let me move it—

The Chair: Excuse me, Mr. Easter. We have a motion on the floor.

We will do them individually. We'll do the first one first, on the trade commissioner.

Mr. Devinder Shory: I so move.

The Chair: Mr. Shory moves that.

(Motion agreed to)

The Chair: The second one is on CIDA.

Mr. Gerald Keddy: I so move.

The Chair: We have a motion from Mr. Keddy.

(Motion agreed to)

The Chair: The third one is for the study of trade relations with Brazil. I will entertain a motion.

Mr. Holder.

Mr. Ed Holder: I so move.

The Chair: Is there any discussion?

(Motion agreed to)

The Chair: Thank you. The meeting is adjourned.

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