

APPENDIX

At the committee's official meeting of Tuesday, May 15, 2007, the committee agreed that the testimony provided at the unofficial meeting of Thursday, May 10, 2007, held from 12:18 p.m. to 1:05 p.m. in Room 701, La Promenade Building, attended by certain members of the Standing Committee on International Trade, be appended to the evidence of the official portion of the committee's meeting held pursuant to Standing Order 108(2), on the consideration of Canada-U-S trade and investment issues and the Security and Prosperity Partnership of North America.

@(1220)

[English]

Dr. Gordon Laxer: Thank you very much.

I was talking on natural gas and why we would import it if we could be self-sufficient and energy independent. Those are the official goals of the U.S. NEP. The U.S. has an NEP, a national energy policy. It started in 2001. They talked about domestic ownership as well, as one of their goals. Remember, Congress blocked the Chinese takeover of Unocal.

The U.S. didn't draw up a continental energy plan in 2001, but a national one, as Mexico has, and like we should. Most countries have similar national policies. No one is fooled by the SPP talk that North American energy security is anything more than U.S. energy security. I talked about copying the U.S. NEP in many ways, but not on all energy policies--for example, finding "their" oil under someone else's sands, Middle Eastern or the Alberta tar sands.

Strategic petroleum reserves help short-term crunches but not long-term ones. Eastern Canadians' best insurance is to restore the rule before the free trade agreement: no energy exports before the 25 years of proven supply.

The SPP is taking us in the wrong direction. It's talking about quickening environmental approval of tar sands exports, more LNG terminals in Canada dedicated to U.S. exports, and bringing in temporary Mexican workers without permanent resident rights. We should not be moving in this direction.

Instead Canada needs a paradigm shift to face the new realities:

Security. We've heard security trumps trade. This means energy security for Canadians trumps NAFTA.

Climate change. The production of tar sands oil, three-quarters of which is exported, is the single biggest contributor to our rising greenhouse gases. This is the gassy elephant in the living room, which everyone pretends not to see. Instead we need a moratorium on new tar sands projects. Then we should be cutting consumption to reduce carbon emissions.

Then there is the proportionality clause, which should also lead to a paradigm shift. You won't convince Canadians to cut fossil fuel use, as we must, if it means that whatever we save that's exported to the U.S. is just exported more to the U.S. The proportional requirement rises and tar sands emissions remain unchanged.

In conclusion, instead of the SPP, Canada needs a new energy security and conservation strategy. You may not know this, but Canada has an NEP--no energy plan. It's not helping Alberta or other producing regions. The people of Alberta, who are the owners of oil and gas, receive pitifully low royalty rates and other economic rents. Alberta and Norway have about the same amount of oil and gas. Alberta started its heritage fund 30 years ago. It has \$12 billion U.S. in it. Norway started its fund in 1996 and it has \$250 billion U.S. in it, twenty times as much.

Much of the tar sands oil is shipped out raw, without upgrading in Alberta. Canada must do a national energy security strategy differently, as a partnership with the producing provinces and territories. The 1980 national energy program had good goals--energy sufficiency, independence, Canadian ownership and security--but it was unilaterally imposed by the federal government. A new federal-provincial plan must raise economic rents in all their forms so that producing regions can use the funds to transition to a post-carbon economy; otherwise, in a generation Alberta will become not the rust belt, like in the U.S. midwest, but the fossil belt.

APPENDIX

Recommendations: no SPP before public hearings, bills before Parliament, the consent of Canadians; no export of raw bitumen; no environmental sacrifice zones in northern Alberta; higher economic rents; get a Mexican exemption on proportionality. Finally, we need a new SPP: a secure petroleum plan for Canadians.

Thank you.

@(1225)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Thank you, Mr. Laxer.

Now we'll move to Mr. Foster.

@(1225)

[English]

Mr. John Foster (Common Frontiers): Ms. Crawley and I will share our time.

Thank you for the invitation to contribute to this committee's initial study of the security and prosperity partnership and its implications. We hope that this is only the beginning of Parliament's critical attention to the issues involved.

My colleague Corina Crawley, who is the CUPE representative in Common Frontiers, and I are speaking to you this morning on behalf of Common Frontiers, which is a working group of church, labour, student, environmental, and development organizations that has been working for almost twenty years on issues of North American integration. This work is carried out in collaboration with sister coalitions in the United States, Mexico, and Quebec, as well as with the Hemispheric Social Alliance, which extends throughout the whole of the Americas.

The security and prosperity partnership is about much more than border facilitation, important as that may be. In the words of the representative of the Canadian Council of Chief Executives, who addressed you, it is "a strategic, visionary document". And because of its far-reaching potential, it is of interest to many

Canadians, not merely to chief executives. Therefore, we question the exclusive, unique, and privileged access of chief executives to the chief political executives through the North American Competitiveness Council.

In fact, given all the concern on this committee regarding small business, one would expect that small business, labour, and other sectors would have equivalent access, as they are not represented by the Canadian Council of Chief Executives.

The concerns raised by many groups before this committee, including our own, have to do with process, as well as with content. They have to do both with the "why" of this arrangement, but also with the "what" and the "how".

We should not be diverted by repeated rhetoric about "the tyranny of small differences" in regulation. Democratic, legislative, and regulatory autonomy for Canadians is at issue, and whether the issue is with regard to environmental reviews or pharmaceutical testing, or the food of Canadians, the health and well-being of Canadians and their environment is at stake. In this regard, we stress the importance not of risk assessment, but of the precautionary principle.

I note, for example, I received this morning from a member of the U.S. Congress something called the NAFTA Accountability Act, in draft. This sets standards for the protection of health and safety in the United States, for the protection of jobs in the United States, for the protection of agricultural production, etc., and if those standards are breached, then the argument of this proposed legislation is that the United States should either renegotiate NAFTA or abandon it.

This kind of approach, setting clear standards for the protection of Canadians, might be appropriate as a recommendation for this committee.

While the bilateral implications of the partnership obviously have predominance for Canadians, we cannot ignore, particularly in such fields as security, agriculture, and energy, the implications of this engagement for Mexico, its

APPENDIX

citizens and democracy, and any parliamentary review should take this into account.

The vision embodied in the security and prosperity partnership is only one vision, and a very partial and restricted one at that. In Common Frontiers, together with our national and international allies, we've challenged that approach since it was announced—and I'll return to that challenge as we conclude.

There has been discussion in this committee about the effect of this kind of arrangement of NAFTA, and now its reinforcement through the SPP, on the well-being and income of Canadians. The gap between the bottom and the top fifth of Canadians has grown by almost one-third between 1995 and 2005. Similar patterns exist in the United States and Mexico.

We note that social policies and regulations unique to Canada mean that the gap here has been slightly less acute than in the United States. NAFTA and the security and prosperity partnership have been sold on the basis that they expand the prospects and prosperity of all. If that is so, why this growing gap?

@(1230)

The essential question is whether or not the arrangements like the partnership assist governments to ensure a reduced gap and greater equality. If the partnership reduces Canada's policy autonomy, and if it is designed for greater harmonization with the approaches characteristic of the highly unequal society of our neighbour to the south, it should be rejected.

@(1230)

[English]

Ms. Corina Crawley (Common Frontiers): Thank you for the opportunity to speak.

I am going to address a few concerns about the process—which are not going to be new to the ears of this committee—as well as some concerns about the SPP's need for a flexible workforce and its implications for Canada's public wealth, in the way of services—

@(1230)

[English]

Mr. Ron Cannan: Sorry, Mr. Chair, but on a point of order, how much time are we allowing the witnesses?

@(1230)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Seven minutes.

@(1230)

[English]

Mr. Ron Cannan: They're both from the same group, so are they just splitting their time?

@(1230)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Yes, they're together; it's joint.

@(1230)

[English]

Mr. Ron Cannan: Thank you.

@(1230)

[English]

Ms. Corina Crawley: Thank you.

So we'll also be addressing some other concerns about Canada's public wealth in the way of services, infrastructure, and natural resources.

Ten years after the signing of NAFTA, or more than a decade later, the three leaders came together to create the North American Competitiveness Council to provide advice and recommendations on how governments can facilitate trade and advance regulatory reform. It consists of the CEOs of the largest corporations

APPENDIX

and the leaders of key business organizations in the three countries. A number of working groups have also been struck—as discussed today—charged with drawing up changes to both Canadian and Mexican rules and procedures, so they'll be in sync with Washington's security policy.

Proponents have chosen to take an under-the-table approach to trilateral talks, away from public scrutiny and parliamentary purview. Senior government officials have appeared willing to cooperate, until now. Meanwhile, only input from a very narrow special interest group has been invited to date.

The Canadian Council of Chief Executives is a lobby group for the 150 largest corporations in Canada. They are the secretariat for the NACC, and represent all of its Canadian members. We believe that the CEOs making up the NACC are in a conflict of interest in advising governments to take regulatory actions that would ultimately feed their own bottom lines.

Despite the highly unaccountable and undemocratic process to date regarding the SPP, we have enough information from leaked and public records of recent meetings held in Cancun and Calgary, and from other sources, to know there is cause for concern.

NAFTA was about removing trade barriers, and also about making many areas of public policy and social life subject to the disciplines of the market through deregulation. This has resulted in growing income gaps, as discussed today. NAFTA aimed to override domestic regulations, including environmental and labour standards. The SPP takes the objectives of NAFTA and adds the political and security priorities of the United States, causing new concerns around civil liberties, water, energy and the environment.

The SPP depends on a flexible workforce, representing a race to the bottom in the world of work, and depressing wages and spending, which is bad for the economy. SPP plans include facilitating the travel of a constant flow of migrant workers to Canada. The recent federal budget will facilitate this through its \$50 million

expansion of the temporary foreign worker program.

Recent reports of exploitation and workplace injury and death have exposed human rights infringements and a lack of monitoring and enforcement of labour standards among migrant workers. Poor living and working conditions in Canada are well documented. Meanwhile, in many provinces, lists of eligible positions for the temporary foreign worker program are expanding to include jobs where there is not necessarily a known labour shortage—or none that has been proved—or jobs that are among the few good ones available for lower-income Canadians, new Canadians and women.

I'll just conclude with some points on privatization. The SPP process will take us further down the path of privatization and deregulation, and will weaken public institutions as we harmonize our policies. The last federal budget aggressively encouraged privatization and public-private partnerships, or P3s, through a new federal office to promote P3s, and public money earmarked for incentives for other levels of government to privatize through P3s.

The problems with this form of privatization—high costs, poor quality, and loss of public control—are well documented. Under the NAFTA and SPP model, it's very difficult to reverse these kinds of deals and bring public assets back under public control once they've been privatized.

This concern applies not only to privatization of infrastructure and services, but also to natural resources. We know from the documents of the North American Future 2025 Project that there are bulk water exports planned—or at least under discussion. A study conducted for this project is to be reviewed in the fall.

We also know, from the website of the North American Super Corridor Coalition, that infrastructure plans are in place and in some cases construction is under way to transport water, energy and people between Mexico, Canada, and the United States.

We've heard of the concerns about energy security, so I won't go there. But privatization

APPENDIX

and deregulation not only put public services at risk, but also public resources. Elected officials have a responsibility to manage our public resources in the public interest, but if NAFTA is any indication, agreements under the SPP process will lead to the loss of the regulatory and political autonomy we need.

Thank you.

@(1235)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Thank you very much.

In view of what's happened and the time we've lost--it was a surprise for you and it was a surprise for many of us here in the committee--we will proceed with five-minute questions and we'll end at one o'clock, as scheduled, giving every party one question for five minutes.

We'll begin with Mr. Maloney.

@(1235)

[English]

Mr. John Maloney: I'd like to apologize for the incident we all witnessed here today. Please don't take it personally. It was unfortunate, and I think this committee will have to discuss our activities at another time.

Certainly your concerns about only hearing from one side have perhaps changed today, after we've heard from your side. I appreciate your comments.

Mr. Chair, in view of the time constraints, I'm not going to ask any questions. I'll leave that to my friends who would have liked to have extended the time period.

@(1235)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Mr. André.

@(1235)

[Translation]

Mr. Guy André: Good afternoon. I am pleased that you are here today. I would like to apologize for the incident that occurred. I think that your evidence was very relevant.

Witnesses have told us that until Canada has an energy policy that respects the environment, and until it chooses to use green energy to a greater extent, some kind of moratorium should be placed on tar sands extraction projects, given that they cause great damage to the environment. What do you think?

In regard to Canada's future in energy matters, do you think that the National Energy Board is playing its watchdog role?

@(1235)

[English]

Dr. Gordon Laxer: Thank you.

I'm very happy the committee is continuing to meet.

A year ago, Parkland Institute--we've done a number of studies on energy--called for a moratorium on new tar sands projects, not the ones that are being built and not the ones that are under way. In fact, the tar sands will more than double this production, given the projects that are already under way. It's going to go up from about 1.2 million barrels a day to between 2.5 million and 3 million barrels a day. If you're calling for a moratorium, you are not saying stop the projects that are already being built.

The tar sands are the single largest contributor to growth in greenhouse gases in Canada. If we double that production--and even the kind of moratorium I'm talking about would still double that--it's going to be very difficult for Canada to meet the Kyoto Accord, which I'm a strong supporter of, and go beyond that in subsequent years, if we expand the tar sands projects. Tar sands projects are incredibly expensive. For \$10 billion you build something that produces, say, 200,000 barrels of oil. For much less money we

APPENDIX

could be conserving, be cutting that consumption rather than going further down the fossil fuel route.

On the question of the NEB playing its role, I don't think so. The NEB was set up in 1959 to make sure that Canadians had a secure supply of oil, of all forms of energy. They told me a month ago in an e-mail--I've got it--that they have done no studies on security of supply for Canadians. I find that shocking. I'm an intervenor on the Keystone Pipeline, a pipeline that's going to be built. It's one of five export pipelines to the U.S. When we produce evidence that Alberta would lose 18,000 permanent jobs if we just export the raw bitumen, they say that isn't relevant to the exports. I think the NEB should be taking a tougher position. They did--in 1974 they recommended that Canada reduce exports of oil to the U.S. This was during the energy crisis after OPEC. They said we should be supplying Canadians to preserve the supplies. The NEB took that position in 1974. I would like to see them take that courageous position now.

@(1240)

[Translation]

Mr. Guy André: Our clock is ticking, and your comments are very interesting. So, you are saying that even though one of its mandates under the Security and Prosperity Partnership is to consider energy security, the National Energy Board has not conducted any studies that look at the security of Canada and Quebec from that perspective.

Thank you.

@(1240)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Mr. Cannan, you're on.

@(1240)

[English]

Mr. Ron Cannan: Thank you, Mr. Chair.

Thank you to the witnesses.

I told my colleague, the chair, that I'm still here because I support the democratic process and the openness, and we welcome your input.

I wanted to clarify a couple of comments that were made previous to your statement, as well as some of the statements that were made, one actually from our colleague Mr. Holland, who's sitting in on the committee today. I know he had a news release not too long ago talking about the Conservatives sending a mixed signal with regard to the sale of bulk water.

I simply wanted to get on the record that our environment minister stated on April 13:

The Government of Canada has no intention of entering into negotiations, behind closed doors or otherwise, regarding the issue of bulk water exports. Canada has restrictions in place to prohibit bulk removal of water, including diversion, backed by serious fines and/or imprisonment. Canada is committed to protecting water in its natural state and to preserving the integrity of ecosystems, and will continue to do so.

Our position is very clear, and I want to make sure it's on the record.

The other comment that Mr. Foster and Ms. Crawley alluded to a little bit—and it was brought up in previous discussions—is the “prosperity gap”, as it was referred to, and environmental stewardship, I think representing, as you said, a wide variety of organizations, faith-based, and unions right across the spectrum.

I have full respect for those organizations. I was a member of a union for several years. I've been in management. I've managed unionized employees and I also had my own business. So I try to bring an open mind to the table—not as closed as some people around here—and look at the element of how we're trying to be good stewards of the environment.

APPENDIX

The government can't do everything and shouldn't do everything. People have a responsibility, and that's what our government's plan is, and I'm so excited about a balanced reasonable approach that we're bringing forward. And talking about a strong economy, as the Prime Minister alluded to yesterday in question period, the unemployment rate is close to a record low.

I know that in my riding, Kelowna Lake country in the interior of B.C., we need people. If you want to send any people to work, you're more than welcome to. I'll get you the employers. I'll set up the interviews for you.

You're coming from Alberta, Mr. Laxer. You know there's a shortage of labour there too. The economy is on fire. I know the situation in certain pockets might have some challenges, but overall on a national basis, we're doing very well.

As a matter of fact, one of the reports I was able to secure from our library and our parliamentary research is talking about:

...the notion that most Canadians are getting poor seems hard to square with the data. GDP per capita in 1976 was about \$25,000 in present-day dollars. Today, it's over \$42,000, a gain of nearly 70%.

That is phenomenal.

The other fact is that people's income is rising. The other challenge is the amount of taxes. People are paying more taxes than ever before. So we have to also be good fiscally responsible stewards of our financial resources in government, and that's where we have to balance.

Going specifically to the question Mr. Laxer raised—I also read your article of April 26: energy security for the U.S. means insecurity for Canada. Reading through it, to my mind, it seems to avoid a major piece of the puzzle, which is in order to establish an NAP, it would need the full cooperation of the provinces. In the best of scenarios, such agreement proves very difficult. As we know, even our Minister of

Agriculture, working on an agricultural plan trying to revitalize our income stabilization program, etc., had to get all the partners to the table to get some consensus.

So looking at that, are you saying that the federal government should simply dictate to the provinces? Thinking through it, it would lead in my mind to real uncertainties for Canadians and we'd find ourselves in the middle of a federal-provincial battle. I think that's the last thing my honourable colleagues from Quebec want, the federal government telling the citizens of Quebec what to do with their natural resources.

That's my first question, Mr. Chair.

@(1245)

[English]

Dr. Gordon Laxer: Can I answer this?

@(1245)

[English]

Mr. Ron Cannan: Sure.

@(1245)

[English]

The Vice-Chair (Mr. Lui Temelkovski):
You have 30 seconds.

@(1245)

[English]

Dr. Gordon Laxer: I agree with you that we need a federal-provincial partnership. We cannot impose this by the federal government, absolutely not. The producing regions must be protected—they are the owners of the resources—and so must the consuming regions. We must come together to meet the interests of all of them.

APPENDIX

@(1245)

[English]

Mr. Ron Cannan: I have one supplemental. You compared Norway to Canada. Canada has 9.9 million square miles with 33.3 million population, 92.4% being land, the rest being fresh water—and as the Prime Minister stated, we boast having 9% of the world's renewable water supply and energy supply as a super energy giant, in many ways—compared to Norway, with 4.6 million population and only 386,000 square miles. It's a constitutional monarchy and we're a federation.

So you can't compare them. They're two different countries in size and governance. So you have to use comparable analogies in your research in the future, I'd recommend.

@(1245)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Thank you very much, Mr. Cannan.

Now we'll move over to Mr. Julian.

@(1245)

[English]

Mr. Peter Julian: Thank you very much, Mr. Chair.

I just wanted to advise the committee of a notice of motion that I will be bringing forward at a future committee meeting after consultation with my colleagues on the opposition side, expressing non-confidence in the current chair of the committee. I wanted to flag that.

I appreciate you being in the chair, Mr. Chair, at present, and I appreciate the witnesses coming forward today. I share the apologies of the committee for the disrespect shown to you. Both Mr. André and Mr. Maloney have expressed that, but I believe you should take it personally. You should take it personally because obviously Conservatives around the table did not want to hear the very profound and effective arguments

you were bringing against the SPP agenda that this government is promoting.

I'd like to come back to you, Mr. Laxer, because in your very thoughtful presentation on energy sovereignty—connected directly with the SPP, despite Mr. Benoit's protest to the contrary—you outlined our current state of energy insecurity.

I'd like you to run us through this, because it's a very important part of what needs to be out in the public domain. You were saying about proportionality that essentially as we ramp up the percentage of our produced resources, oil and gas, to the United States, as it's ramped higher and higher, when we reduce supply, we have to reduce supply to Canadians in the same proportion that we've reduced supply to the United States. Is that correct?

@(1245)

[English]

Dr. Gordon Laxer: Yes, that is correct.

@(1245)

[English]

Mr. Peter Julian: And you also talked about the issue of Middle East oil coming in to eastern Canada. I believe the figure you quoted is 90% of Atlantic Canada and Quebec depend on the Middle East and other sources.

@(1245)

[English]

Dr. Gordon Laxer: No. What I said is that 90% of the oil that comes to Quebec and Atlantic Canada comes from offshore, and 45% of those imports come from OPEC countries.

@(1245)

[English]

Mr. Peter Julian: Okay. So run us through this, then. There is a Middle East oil supply shock, supplies are dramatically reduced to

APPENDIX

eastern Canada, Ontario, and Quebec. How would the proportionality rule play in that case now, where we have Canadians literally freezing in the dark in Ontario, Quebec, and Atlantic Canada? With the proportionality clause that exists right now, how would that play to supply those oil and gas resources to Canadians?

@(1250)

[English]

Dr. Gordon Laxer: Proportionality says that if we reduce consumption, then we have to do it on a proportional basis. There is an override clause that says that in an emergency governments can override proportionality, but if we waited until a Middle East crisis to do that or a crisis in the oil supply, it would be like waiting until Hurricane Katrina hit before you actually did something about it.

So what we need to do is prepare for that eventuality. We need to put the pipelines in place and to stop our increase in oil and gas, that proportionality, because if we increase it from 63% of our oil to say 75%, then we are obligated to increase that production and we must then import. The more that we are exporting, then we are obligated to import for the remaining Canadian consumption.

@(1250)

[English]

Mr. Peter Julian: In that scenario, then, given the fact that an override from what you're pointing out is complicated and is last-minute, it would surely be subject to the same kinds of challenges we saw under softwood lumber in NAFTA.

Would that not mean that Canadians would be freezing in the dark while our strategic oil and natural gas resources continue to be sent to the United States?

@(1250)

[English]

Dr. Gordon Laxer: Yes, that's what it would mean.

The United States government is talking about trying to get off their vulnerability to Middle East oil. Why aren't we talking about that here? That's what I'm asking the committee here. Why is Canada not concerned about the security of eastern Canadians?

@(1250)

[English]

Mr. Peter Julian: Your concern is that the SPP goes even further down that road. What are the possible implications of having the decisions about energy usage made in Washington?

@(1250)

[English]

Dr. Gordon Laxer: It means that we cannot use the energy for our own uses. It's going to be very hard to convince Canadians to cut consumption if, as I say, by doing that, we will just be exporting more oil to the U.S. It's very hard to say "Get off your SUVs and drive your smart cars so that more Americans can drive SUVs and Hummers." It's going to be very hard to convince Canadians of that.

A very large percentage of the greenhouse gases actually come from the production of energy. The tar sands take a tremendous amount of energy to produce the oil. It takes about 1,500 cubic feet of natural gas to produce one barrel of oil. That could heat a house in Canada for eight days. A tremendous amount of greenhouse gases are produced with that. If we just cut consumption here and we keep the same patterns of transnational ownership and of the NAFTA proportionality clause, we are going to be exporting that surplus--whatever we save--to the United States.

@(1250)

[English]

Mr. Peter Julian: There's an environmental component to it as well. This just flies in the face

APPENDIX

of good common sense. You essentially have the Conservatives saying that the United States should have first dibs on all our oil and gas resources even if it leads to Canadians literally freezing in the dark--an absolutely absurd proposal. It's no wonder the Conservatives don't want these facts to get out in the Canadian population. Canadians would be understandably very upset that the Conservatives would be that irresponsible. There's also an environmental component that essentially no matter what the Conservative government says about the environmental plans it wants to put into place, under proportionality all we're doing is displacing the same environmental problem. Is that not true?

@(1250)

[English]

Dr. Gordon Laxer: That's right, and we would hurt the environment. I should point out that the tar sands is 23% of Alberta. It's an area bigger than the Maritimes. This should not be an environmental sacrifice zone. All the tail ponds, the greenhouse gases that are produced--why are we doing this? We're exporting 75% of the tar sands oil so that we can feed what George Bush called the American addiction to oil. It doesn't make any sense to me.

@(1250)

[English]

Mr. Peter Julian: I appreciate the indulgence, Mr. Chair.

My final comment, before I ask Ms. Crawley and Mr. Foster a last question, is whether you could just review the issue of the Heritage Fund in Alberta. It's been run by Conservatives for decades. Norway, of course, is a democratically governed country. Compared with the relative level of petroleum resources, how well did the Conservatives go in actually conserving those resources so they can be used financially in the interest of the population with the Heritage Fund, and how well did social democratic governments do in Norway--roughly the same-sized populations in both? Mr. Cannan seems to challenge those figures, but I think it's

enlightening to know how much better social democrats have managed the fruit of financial resources in Norway than the Conservatives have in Alberta.

@(1255)

[English]

Dr. Gordon Laxer: I'll compare Alberta and Norway. Actually Alberta has fewer people than Norway. I'm actually going to praise Peter Lougheed's Conservative government in 1976 for setting up the Heritage Fund. It was a very far-sighted thing. But it has not been continued by the Conservative governments since then.

@(1255)

[English]

Mr. Ron Cannan: What's the debt in Alberta?

@(1255)

[English]

Dr. Gordon Laxer: Alberta and Norway have about the same amount of oil and gas. Norway's permanent petroleum fund is 20 times as large as Alberta's. Exxon and Shell still operate all the big companies in Norway. They haven't been driven out. To a great extent, it's been done by a direct state ownership in oil in Norway.

@(1255)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Thank you very much, Mr. Laxer.

We'll turn it over to Mr. Holland. Each party will have one minute each.

@(1255)

[English]

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Mr. Chair.

APPENDIX

I would say it's a privilege to stand in on this committee today, but I think I'll reserve that statement.

Witnesses, thank you very much for your presentations today. They are deeply appreciated. I am sorry the episode that took place occurred.

I want to come to the point of bulk water export because it is something of deep concern to me. I'd be interested if any of you would be interested in responding. My concern is that while the government may, on the one hand, make proclamations about it objecting to bulk water export, what are your feelings about Canada participating, through the use of federal bureaucrats, in discussions on the table with U.S. authorities? There is, as an agenda item, the export of bulk water. Does that not send a mixed signal? Are we better to not participate in those meetings, or if we were to participate in meetings where bulk water from Canada to the United States was discussed, that at the very least those meetings should be made public?

@(1255)

[English]

Mr. John Foster: I think this committee has previously heard very strong arguments against this form of participation and in favour of arrangements that involve and protect both federal and provincial jurisdictions.

These meetings, as you've mentioned, continue. They have continued, in some cases, with the participation of federal officials. The participation lists, and so on, are often not easy to secure, and in one recent case in Calgary, I understand the federal officials retired or retreated from the meeting when it became clear that their participation would be public.

@(1255)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Thank you.

Monsieur Cardin, for a one-minute wrap-up.

@(1255)

[Translation]

Mr. Serge Cardin: Thank you, Mr. Chair.

Normally, all SPP activities result in changes in standards and regulations. A lot of people say that they are afraid of moving to the lowest common denominator. According to the previous witnesses, the solution lies with the government, not with officials or with people around the table at the SPP. Now, a distinction has to be made between the government and Parliament.

Is it your view that the number and importance of the standards and regulations that can be changed without parliamentary involvement represents a real and significant threat?

@(1255)

[Translation]

Ms. Corina Crawley: Yes.

@(1255)

[English]

Mr. John Foster: I think, quite profoundly, the way this arrangement is set up, concerning privileges, as has been said earlier, the point of view of large transnational corporations organized in the NACC, and from Canada's point of view, the Canadian Council of Chief Executives, there is a public concern at the moment even within those limitations of the extent to which those bodies remain Canadian in any sense, given the change in ownership that goes on virtually daily. So you could have a situation where you're privileging those whose approach to these issues is essentially non-Canadian, or doubling, in a sense, the quantity of advice coming essentially from non-Canadian corporate leadership. That shapes the whole SPP.

We were told earlier that the SPP is not an umbrella. Then why do we have access for these highly paid corporate leaders at the umbrella level and for no one else?

APPENDIX

The Canadian Council for Social Development collaborated with its Mexican and American colleagues to look at what these North American integration elements meant for the children of each country and the children of North America. Why are such opinions and such research not equivalent in terms of access to what comes from Mr. d'Aquino and his allies?

@(1300)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Thank you very much, Mr. Foster.

We'll move to Mr. Cannan, and then Mr. Julian will wrap it up.

@(1300)

[English]

Mr. Ron Cannan: I just want to clarify or expand on one point that I made previously. Since 1961, the total tax bill for the average Canadian family has increased 1590%. By comparison, the cost of housing has increased 1019%; the cost of food, 487%; and the cost of clothing, 447% since 1961.

Over the past 45 years, taxes have become the single largest expenditure in an average Canadian family's budget, with the total tax bill for a typical family increasing by 1590% since 1961, the year in which I was born. So that's a lot of taxes that Canadians are paying.

I also want to clarify on the record that there are some concerns and comments about government participating, and I know Mr. Holland just alluded to some bulk water discussions taking place. I've checked with staff on previous occasions, and it has been verified that no government officials participated in these meetings and the black helicopters parked outside were for some of these other witnesses.

Thank you.

@(1300)

[English]

The Vice-Chair (Mr. Lui Temelkovski): Thank you, Mr. Cannan.

Mr. Julian.

@(1300)

[English]

Mr. Peter Julian: Ms. Crawley and Mr. Foster, thank you very much for your testimony.

Ms. Crawley, you mentioned very clearly the conflict of interest, that the same CEOs who are profiting from an economic strategy that only seems to benefit them are the ones who are advising the government that more of the same medicine is somehow going to be better.

I'd like to ask both of you, what would you like to see Parliament do to have the kinds of open debates on all these issues—the deregulation agenda, the issue of energy sovereignty, and water exports? What would you like to see, if you could tomorrow map out to us how this issue should be debated and discussed and how public consultation should be done?

@(1300)

[English]

Ms. Corina Crawley: I'm going to let John address this, because it was part of his initial presentation.

@(1300)

[English]

Mr. John Foster: We have clearly taken a position against the current pattern of exclusive access to the executive level by corporate leadership in defining this direction. Members of this committee have raised the issue of the responsibility of Parliament. We don't want a corporate *coup d'état*, and we don't want these matters settled by only the political executives of the three countries. Therefore I think this committee has taken one step in the right direction by holding these hearings.

APPENDIX

But these hearings should not be restricted to the trade aspects of the security and prosperity partnership, or to the future of NAFTA. These are matters that affect several other sectors of parliamentary interest, including the foreign affairs committee and many others--health and other aspects have been mentioned. So I think some form of comprehensive review is appropriate, with full public participation as its starting place.

It is also clear that if we are talking about the future of North America and a vision for North America--Canada, United States, Mexico, and perhaps the rest of the continent--cross-sectoral public debate and participation is necessary and should not be restricted to the vision of ten corporate leaders.

Thank you.

@(1300)

[*English*]

The Vice-Chair (Mr. Lui Temelkovski):
Thank you very much.

I'd like to thank the witnesses on behalf of the committee.

I'd also like to mention, in view of the unusual circumstances of the meeting, that it will be decided later whether or not the last portion of the meeting was official.

@(1305)

[*English*]

Mr. Peter Julian: Point of order, Mr. Chair. I'd like to thank you for your excellent chairing of the meeting. It was excellent and smooth.

@(1305)

[*English*]

The Vice-Chair (Mr. Lui Temelkovski):
Thank you.

The meeting is adjourned.