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Mr. Bernard Patry

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• (0910)

[Translation]

The Chair (Mr. Bernard Patry (Pierrefonds—Dollard, Lib.)):
Good morning, everyone.

[English]

This is the Standing Committee on Foreign Affairs and International Trade.

[Translation]

Today on the agenda is the international policy review.

This morning, we have the pleasure of welcoming Maria-Luisa Monreal, Director General of the Association québécoise des organismes de coopération internationale, or AQOCI, Mark Fried, Communications and Advocacy Coordinator at Oxfam Canada, and Mohammed Chikhaoui, Director of Planning and Evaluation at Oxfam Quebec.

Welcome, everyone.

[English]

It's a real pleasure to have you with us this morning.

We'll start with Madame Monreal, please.

[Translation]

Ms. Maria-Luisa Monreal (Director General, Association québécoise des organismes de coopération internationale): Ladies and gentlemen, members of the Standing Committee on Foreign Affairs and International Trade, I would first of all like to thank you for inviting AQOCI to express its concerns regarding Canada's International Policy Statement.

The current government recently unveiled the new international policy directions that it plans to follow over the next few years.

The world has changed dramatically since the Cold War, new issues have emerged and Canada must provide itself with the tools and means to exercise a new leadership role at the international level.

The government has made a long-term commitment to aid developing countries and has reiterated the importance of pursuing the Millennium Development Goals which in 2000 all the United Nations heads of state pledged to meet. However, many aspects of the policy statement show that the goals of eradicating poverty and inequality in the world, key to achieving sustainable human development, are being sacrificed for the sake of fighting terrorism and securing markets.

The government, judging that there is an omnipresent terrorist threat in Canada, has made concern for the security of Canadians one of the top priorities in its international policy. The new policy is based on consistency and coordination among diplomacy, defence and development. The government believes that one of the direct threats looming over Canada and its allies is poverty.

We believe that the priority given to security is questionable. We are convinced that genuine security will be gained first and foremost when nations come together and demonstrate strong solidarity in their ongoing efforts toward sustainable and viable development, when a fair peace is gradually instituted, when human rights are fully respected, and when nations demonstrate generous openness to migrant populations and refugees. That is what we mean by the development of human security.

Since 2001, terrorism has been on the international agenda. We must recognize the fact that the world has been less safe since the United States initiated the war on terror. We need only to look at events in Iraq, the situation in Afghanistan, and the state of affairs in the Middle East. We agree that these are countries and regions in crisis.

However, Africa, which is by far the poorest continent on the planet, is dealing with major structural problems relating to its underdevelopment. It is difficult to assert that poverty in Africa is a direct threat to Canadians' security. Of course, AIDS and its spread across the world might constitute a threat, but scourges like AIDS require political responses that focus on human security, not policies to fight terrorism.

We have said it, and we will say it again: the fight against poverty must be part of a human security perspective, it must be a matter of fundamental rights for all human beings. Canada's international role does not boil down to the security of Canadians. Linking poverty and terrorism is likely to make us fight against the poor, rather than against poverty and its structural causes.

The government has made defence a priority, and its military budget has been increased considerably, by \$15 billion over five years. That budget increase has been made at the expense of official development assistance.

The fight against terrorism and the prevention of terrorism, to stop poor countries becoming centres of instability, will become priority objectives for ODA. If, as we see happening now, ODA becomes subject to political ends, then development assistance becomes a part of the war effort. In the light of strategies established since 2001, we would say that this approach may never meet the crying need for stability, peace, and respect for fundamental rights throughout the world.

We believe that any approach of this kind is morally suspect, if not completely unacceptable. Aid must remain driven by solidarity and generosity. In our view, the only goal of development assistance must be the eradication of poverty and inequality.

• (0915)

In the International Policy Statement, the government makes a commitment to increase international aid by 10 per cent a year until 2010, and to continue increasing it until it reaches the international standard of 0.7 per cent of GNP. At that rate, Canada will not reach the international standard until 2020, or even 2025.

With the United Nations in 2000, Canada made a clear commitment within the framework of Millennium Development Goals to increase ODA to 0.7 per cent of GNP by 2015. In its International Policy Statement, the government makes no official commitment to achieve that goal by 2015. We believe that, in order to bring ODA up to 0.7 per cent of GNP by 2015, Canada must increase ODA by 12 to 15 per cent each year.

In the IPS, Canada has selected 25 countries as development partners, among whom two-thirds of Canada's ODA will be shared over the long term. The 25 countries must have been difficult to choose. Some of the choices still baffle us, and we are surprised to see that many countries with whom Canada could play a major partnership role are not on the list.

In addition to the choice of countries, a number of sector-based concerns have been raised. We do not understand why agriculture is not explicitly included in the sector-based priorities of Canadian bilateral aid, when the majority of the population in the 25 countries selected is rural. Support for agriculture would mean that thousands, if not millions, of people, would have access to the means of subsistence that would make it possible for them to stand on their own feet and look forward to a better future. It would improve human security, help eradicate poverty, and help break dependence, while respecting human dignity.

Another disquieting aspect in the international policy's development section is that it makes little mention of international cooperation organizations and other civil society organizations. However, it does mention the new Canadian Corps initiative a number of times. But even if the Canadian Corps initiative seems promising, we are surprised to find no mention of the Canadian program that sends volunteer cooperants abroad. That program has been in place for 35 years. At present, 10 international cooperation organizations are involved in the program, sending over 2,500 cooperants to over 40 countries each year. The program has become one of the best pillars of support for Canadians' concrete commitment abroad.

The statement makes no mention of how important it is to inform and educate the public, and the role of information and education in active global citizenship.

We would stress that the CIDA partnership program should continue to have sufficient means to support the efforts of international cooperation organizations and other organizations of Canadian civil society, in order to assist the development efforts of people in a broad range of developing countries, particularly those that do not receive Canadian bilateral aid. It is important for those organizations to maintain some margin of manoeuvre to carry out independent action in a range of fields, including good governance, be it within the Canadian Corps or outside it.

Moreover, Canada must allot 1 per cent of the international aid budget to Canadian public engagement activities.

Thank you.

• (0920)

The Chair: Thank you, Ms. Monreal.

We will now hear from Mark Fried, who represents Oxfam Canada.

Mr. Fried.

[*English*]

Mr. Mark Fried (Communications and Advocacy Coordinator, Oxfam Canada): Bonjour.

Mr. Chairman, members of the standing committee, and invited guests, thank you for the opportunity to share our thoughts on Canada's place in the world.

Oxfam is an international development agency, and we're dedicated to ending poverty and suffering through three areas: community development programming, humanitarian assistance, and policy advocacy. Oxfam is pleased that the government has proposed to reinvigorate Canada's role in the world by investing in development, in diplomacy, and in defence. The international policy statement offers an accurate description of many of the challenges we face, and it correctly underscores that multilateralism is the proper vehicle for Canada to build a more secure, equitable, and peaceful world. Most importantly to Oxfam, the document affirms what Kofi Annan has put before the international community, that fighting global poverty must lie at the heart of our search for security and prosperity. Oxfam is naturally keen for Canada to fulfill its potential to help the poorest and most vulnerable people.

There are three key arenas for action in this struggle against poverty, and all of them are touched on in the international policy statement: development assistance, including debt relief; conflict; and trade. My colleague from Oxfam Quebec will speak to conflict and development financing in detail, and I will reserve my comments to trade.

Please allow me to make one brief point regarding aid. Canada's failure to achieve the minimum target of 0.7% of gross national income in aid, which was set for the world by Lester Pearson in 1969, is a continuing source of shame. Frankly, it undermines the credibility of Canada's role in every arena and every forum. The government must pledge to make good on this promise by the year 2015.

Now let me talk about trade. I said that the international policy statement delves into three areas for action on global poverty, but actually only in the development chapter does it set the fight against global poverty as its goal. We know aid is essential, but aid will not work unless the rules that currently rig international trade against the poor are changed. The international policy statement notes the relationship of trade to development, but says very little about how Canada's trade policies could favour the process. What it does say is that it cites the generous market access provisions for least-developed countries that were put in place by the previous government, which indeed are very positive. And in the very brief section on the World Trade Organization, the statement notes the trade-distorting subsidies of the world's major powers that harm Canadian producers and make it impossible for poor people to work their way out of poverty. Canada is playing a very important role on that particular subject, in alliance with developing countries.

What the commerce chapter does, understandably, is it places an emphasis on the commercial interests of Canadian business, stressing opportunities to be found overseas. However, we'd like to point out that difficulties may arise when the commercial interests of Canadian business conflict with our equally important public interest in fighting global poverty.

The potential for conflict lies in the areas of market access, investment, and intellectual property, where the needs of developing countries can be very different from our own needs. For example, Canada may wish to gain greater access to developing-country markets for exports of wheat, peas, and other crops, but it makes little sense for a country with large numbers of poor people in rural areas living from agriculture to lower tariffs on staple food crops, especially while the United States and the European Union continue with their high-subsidy regimes. Essentially, they're opening to dumping. How could a country possibly develop its own comparative advantage in agriculture if they opened up too rapidly? Or in industrial goods, how can a poor country develop industry if it opens to cheap foreign imports? Those that actually have developed industries and achieved progress in the fight against poverty have done so by opening slowly and selectively. Market opening is important, but it has to be done in a carefully sequenced manner.

When I was in Geneva last week at the World Trade Organization and met with developing-country representatives there, as well as with the Canadian mission, I learned to my chagrin that Canada continues to side with the United States and the European Union in pressing for a radical opening of developing-country markets, both in agriculture and in non-agricultural goods.

In a similar vein on intellectual property, it may make sense for Canada to have a 20-year patent protection, which we do, and to want the patents of Canadian inventions protected and respected everywhere, but does it make sense for Botswana or Zambia, where nearly a quarter of the population is infected with HIV-AIDS, to

have such a regime where the costs of patented medicines are currently breaking the public health budgets?

● (0925)

To take a more specific example, Vietnam is now negotiating for accession to the World Trade Organization. It is actually mentioned in the commerce chapter of the international policy statement that Canada is helping Vietnam to establish an intellectual property regime. I understand that Canada has joined with the United States to oblige Vietnam to sign up to intellectual property rules more stringent than those they would be required to sign if they were already in the World Trade Organization—rules which, among other things, will restrict farmers' ability to save seeds.

I don't think the conflict between Canadian business interests and the search for security through development is as stark as I have painted it. I've painted it particularly stark by picking out specific examples, but many conversations I've had with Canadian producers, Canadian business, lead me to conclude that the free market measures our trade negotiators are pursuing—measures that are lauded in the statement—are very blunt instruments for achieving what Canadian business needs. Throughout the commerce chapter, the government argues wisely for trade rules that are equitable for all and that will allow for specific government interventions, implying you need the right tool for the job.

Unfortunately, that's not what Canada is pursuing to date, and we hope the interpretation of the commerce chapter will lead to some change in Canada's approach to trade negotiations. Oxfam believes the key is to pursue agreements with developing countries that are non-reciprocal in nature—in other words, giving more than we expect in return—because trade is essential in the fight against poverty, and eradicating poverty is essential to our security and prosperity.

To date, Canada has approached the WTO and bilateral negotiations in a mercantile fashion, trying to get as much as we can and giving up as little as possible in a narrow, commercial sense. This may make sense when Canada is negotiating with a country of similar size and level of development, but it does not make sense when dealing with poor countries that face enormous development challenges.

In the trade negotiations, and in the commerce chapter of the international policy statement, Oxfam would like to see Canada take a more balanced approach than is indicated in the statement. We should give as much importance to the fight against global poverty as to the promotion of narrow commercial interests, and we believe it will not harm Canada's commercial interests. In fact, the specific interests of Canada's business can be addressed without harming the interests of developing countries, but, as I said, taking that mandate to heart will require a shift in the mindset of Canada's trade negotiators so that they will view fighting global poverty via trade as a fundamental public interest.

Let me conclude by stating what's been inherent in Oxfam's remarks this morning. Fighting global poverty should be a central organizing principle of Canada's foreign policy. The international policy statement tends to relegate that mandate to CIDA and consider it a matter for aid alone, and then even fails to make that the sole priority for CIDA and for aid. Let's place fighting global poverty at the centre of Canada's insertion in the world, because our security and our prosperity depend on it.

Thank you very much.

Je serai heureux de répondre à vos questions.

• (0930)

The Vice-Chair (Mr. Kevin Sorenson (Crowfoot, CPC)): Thank you, Mr. Fried.

Mr. Chikhaoui is next.

[Translation]

Mr. Mohammed Chikhaoui (Director, Planning and Evaluation, Oxfam-Quebec): Thank you, Mr. Chairman.

Mr. Chairman, Madam Vice-Chair, and members of the Standing Committee on Foreign Affairs and International Trade, please allow me to begin by thanking you on behalf of Oxfam-Quebec for this opportunity to give you our views of the International Policy Statement released by the Government of Canada several weeks ago.

First of all, I should say that on the whole we are very satisfied that Canada is finally establishing an international policy framework. We believe that Canada is taking a significant step forward by establishing integrated, consistent guidelines for international relations in a world that is increasingly globalized and in which globalization takes different forms. I would also like to talk about globalization of the economy, as well as globalization of poverty and globalization of solidarity.

Canada's International Policy Statement puts forward an interesting approach, in which Canada sets itself apart on the international scene by making the attempt to deploy consistent and coordinated efforts in the areas of defence, democracy and development. That 3D approach, as it has been called, should apply particularly well to fragile states, failing states and failed states, through the Stabilization and Reconstruction Task Force, or START. The policy statement indicates that START will "plan and coordinate rapid and integrated civilian responses to international crises".

The questions we are asking are these: who will be responsible for implementing those "civilian responses"? What do we mean by "integrated"? Past experience has shown that in a crisis what we

need most is coordination by specialized stakeholders. If we are not careful, we might easily lose the distinction between what is military and what is humanitarian in the 3D approach as it is put forward in the statement.

Establishing a \$100 million fund for peace and security is a positive initiative. However, what criteria will the Canadian government use to determine priorities and select in which states it will intervene in a crisis? When we observe what is happening today, we note that most of the funds for peace and security are allocated to Afghanistan and Iraq. We fear that Canada measures the risks to its own security only through nations in crisis.

In fact, Canada must clearly express the policy framework that underpins its activities in humanitarian response, conflict prevention, peace consolidation and reconstruction. Particularly, as part of its responsibility to protect—something Canada has promoted very effectively within the international community—Canada must do more to prevent conflict, rather than intervening and to settle them. The responsibility to prevent conflict must be an integral part of the Canadian policy, along with the responsibility to respect and the responsibility to build.

The International Policy Statement sets out the five Rs. I would like to add a sixth: the responsibility to prevent.

Still in the area of security, Canada's International Policy Statement focuses on weapons of mass destruction, yet glosses over something we consider a much greater threat—the uncontrolled circulation of small arms. There is no doubt that the vast majority of victims during conflicts are killed by small arms, not by weapons of mass destruction. And the major producers and exporters of small arms are members of the UN Security Council and the G8.

We believe that Canada is in an excellent position to promote the negotiation and signature of an international treaty imposing control over the arms trade, in order to stop the uncontrolled proliferation of those death-dealing devices, to which civilians most often fall prey. One opportunity for this will be provided at the UN Review Conference on Small Arms, to be held in 2006. Without in-depth reform in the international arms trade, we can neither guarantee minimum security for the most vulnerable populations nor achieve the Millennium Development Goals.

Even though the development section of Canada's International Policy Statement deals broadly with poverty, Oxfam regrets that Canada is not making the fight against poverty the core of its international policy. As a developed country, Canada has the responsibility of taking concerted action with other nations to abolish poverty by fighting the profound and structural causes of poverty.

• (0935)

The fight against poverty should not be viewed solely from the standpoint of security, but should be considered a necessity to guarantee fundamental human rights. Canada's official development assistance should focus on fighting poverty.

Oxfam is glad to hear confirmation that the development assistance budget will be increased by 8 per cent a year. However, in spite of that increase, 10 years from now Canada will still be allocating barely 0.35 per cent of its gross national product to Official development assistance. That is still far from the 0.7 per cent Canada committed to over 30 years ago. We would have liked Canada to set the example within the G7 by establishing a dynamic schedule to obtain 0.7 per cent within the shortest possible time and pave the way for the other G7 members, who are to meet in Scotland in July.

The International Policy Statement sets out the categories of countries who are to receive Canadian assistance, with a special focus on 25 countries that are called “development partners”. We are glad to note that the majority of those 25 countries are in sub-Saharan Africa. Sub-Saharan Africa is the only region in the world where poverty has not stopped growing. Elsewhere in the world, we are observing real regression in absolute poverty. Everyone recognizes that we must “demarginalize” Africa, but no one is looking in sufficient depth into the causes of that continuing, and growing, poverty. We should point out that, on the one hand, African countries are heavily penalized by their debt burden, and on the other hand are at the mercy of unfair trade rules, which my colleague Mark Fried will describe. So I will not say any more on that.

It is also on the African continent that we saw murderous conflicts with millions of victims in recent years, such as the conflicts in the Democratic Republic of the Congo, in Uganda, and in Darfur. It is to those conflicts as a whole that Canada must respond by virtue of its responsibility to protect, and the responsibility to prevent that I spoke of earlier.

The approach to development promotes equality of the sexes as a horizontal theme in all of CIDA's activities. We congratulate ourselves on that, because there is still a long way to go until women achieve proper recognition of their place in society and the fundamental role they play in community development. But a high percentage of the population and developing countries also consist of young people. There should be a particular focus on young people, because they are, for the most part, the future. They must have education, training, good health, and well remunerated jobs.

The last point I wanted to touch on is the Canadian public commitment. Above and beyond providing information and raising awareness, above and beyond providing enriching cooperational opportunities for Canadians, the government must vigorously support initiatives that enable citizens to take part in debate on developmental issues and in the fight against poverty. That is where the real challenge of world citizenship lies.

Thank you.

[English]

The Vice-Chair (Mr. Kevin Sorenson): Thank you to all our panellists for coming in this morning and speaking on their various roles in fighting poverty and on the whole IPS. We appreciate your input to our committee.

We will go into our questioning round. The first round is ten minutes in length. We will begin with Mr. Menzies.

Mr. Ted Menzies (MacLeod, CPC): Thank you, Mr. Chair, and thank you to our presenters.

We've heard many other witnesses say many of the same things that you've reinforced. We at this committee have a great deal of concern about the fact this Liberal government has cut \$9 billion out of the overseas development aid budget and taken us down to 0.3%, so we certainly hear what you're saying about the unlikelihood of getting to 0.7% by 2015 at the rate we're going. We need to increase that.

I just came from a breakfast with the foreign affairs minister from New Zealand, who made the statement that in their last budget—I believe it was their March budget—they increased their ODA by 26%. Did we not just announce 8% in Canada? We have a long way to go; we need to increase that.

I was encouraged to hear the reminder that we've forgotten about agriculture in development assistance. That's certainly critical. We need to assist the primary producers if we're ever going to be able to see these countries become sustainable, and we're encouraged by that.

My question would be, first of all, to Madam Monreal.

On Canada Corps versus NGOs, I have a great deal of difficulty on where we've gone in trying to hand everything over to Canada Corps to deliver. We have NGOs on the ground in every country in the world that needs our help. Can you give us some insight into how much more effective NGOs are at delivering aid than this new Canada Corps we've built out of public servants?

● (0940)

The Vice-Chair (Mr. Kevin Sorenson): Madam Monreal.

[Translation]

Ms. Maria-Luisa Monreal: Organizations for international cooperation, which have existed for decades, have built up experience and developed expertise in this area. I think that we have concrete proof of their contributions to development and their support for people in the south.

I could not tell you what would be more effective. The government must first and foremost value the efforts of international cooperation and civil society organizations.

Mr. Mark Fried: May I add something?

The Vice-Chair (Mr. Kevin Sorenson): Go ahead.

[English]

Mr. Mark Fried: I'd just like to add that the international policy statement does, at one point, say that the partnership branch funding through CIDA will continue, but it will be reviewed to see which NGOs will continue to receive funding. We think it will be important for the committee to follow that process closely. Most Canadian NGOs, Oxfam included, receive most of our funding from the public in direct donations; we do depend on our funding from CIDA for a large portion of our operations and for becoming as effective as we can. The partnership branch of CIDA is essential for that, and we ask the committee to follow it closely.

Mr. Ted Menzies: You can be assured that we will. To each one of us here, NGOs have raised the concern—and raised it loudly—that they have a historical background in delivering this aid and this assistance, and all of a sudden they're being cut out of it. It is a good use of taxpayers' dollars, in our view, so we certainly will be following it.

Mr. Fried, you're very critical of trade's role in development. Could you elaborate on that?

There is one thing you didn't mention when you were talking about trade interfering with development. Some mechanisms are built into the WTO for special and differential products. Do you feel these are solid enough? Are they going to be adhered to enough to protect those specific products in countries where it's fundamental to their livelihood?

Mr. Mark Fried: Yes, I know. We've conversed about this in the past. We don't feel trade is an obstacle to development, certainly; it's the trade rules that are an obstacle. Trade is essential for development.

In the WTO, several provisions are on the table in the agriculture framework agreement, including a special products mechanism and a special safeguard mechanism. They are intended as special and differential treatment for developing countries. The devil will be in the details.

The United States and the European Union are pressing very hard for a very narrow definition of the special products in particular, and want to make it as difficult as possible for poor countries to use them. For example, they would like.... The United States has proposed that the products be defined at a certain digit level when the crops are classified, so that, for example, if a country were allowed to exempt five crops from tariff reductions, each variety of rice would be a single crop, rather than rice being the crop. The devil will be in the details.

Canada has not been outspoken on this issue. Canada has remained fairly quiet, I would say. The developing countries tell me we've been utterly quiet and have said nothing on it. We'd like Canada to speak up on the side of developing countries on this issue.

• (0945)

Mr. Ted Menzies: Do I have time?

The Vice-Chair (Mr. Kevin Sorenson): Yes.

Mr. Ted Menzies: I was disappointed Canada couldn't play a larger role in the G-20, because I think that would have given us an opportunity to defend some of those very things you're talking about and to have some input into what these special products are going to be and what criteria will be based around those.

Canada has a role to play in these negotiations; the export subsidies you talk about have an impact not only on Canada, but also on a lot of these countries.

There is another issue I'd like to comment on. You talked about dumping. A lot of countries use tied aid; the United States has 100% tied aid. In Canada we've had the debate, and are still having the debate, as to the effectiveness or the ineffectiveness of tied aid. Would you give us a comment on your philosophy about untying aid?

Mr. Mark Fried: You're referring specifically to food aid?

Mr. Ted Menzies: I'm referring to food aid to start with, certainly, but even more than that.

Mr. Mark Fried: As far as efficiency is concerned, untying aid makes sense in general, because aid could be bought from the most cost-effective source. That said, in the particular case of food aid we would not support a blanket untying of aid, because the cheapest place to source commodities is where they're most heavily subsidized; we'd be supporting the subsidy regime that is so damaging to poor farmers if we were to source our food aid from the United States or the European Union, rather than from Canadian farmers.

What we have proposed is a rule similar to what the European Union has said. They said to source it in developing countries, in poor countries, in the same country where it's needed, or nearby, when it makes sense to do so. It doesn't always make sense, but when it makes sense, do that; when it doesn't, buy it at home.

More broadly, it's also true that most of Canada's tied aid is in the area of technical assistance—that is, consultants who are hired to provide assistance. We think it would be wise to untie that area. There will always be many instances in which it makes sense for Canadian technical expertise to be put to use. I think Canada has some of the best technical expertise in the world. We don't have to be afraid and hide behind particular tied rules; we'll be able to get the work.

The Vice-Chair (Mr. Kevin Sorenson): You have another minute, Mr. Menzies, if you'd like to follow that up.

Mr. Ted Menzies: I have one quick point that a lot of people don't quite comprehend in talking about market access. Certainly market access is important to the industries in Canada, to Canadian agricultural industries as well as to other industries. On the issue of opening up market access between least developed countries—between themselves—it is those countries themselves that tend to be the most protectionist among the least developed countries. That's part of the process of accession to the WTO. In a lot of these countries the philosophy is on what I can get, rather than how my country can benefit by helping another country.

Could you give a quick comment on that? Is it not a fact that market access among least developed countries is also a concern?

Mr. Mark Fried: Well, not so much among the least developed countries, but among developing countries it's certainly an issue. The fact is that over the past ten years, trade between developing countries has increased at a much faster rate than trade between the north and the south. Countries are opening their markets, and they're doing so as it suits their own development programs. That is, does it make sense to get the cheaper import from a neighbouring country? Will it harm my producers? Will it not? If I can import an input or a capital good, how will it help to favour building up the industry in that area?

They're doing it slowly and carefully, but they have actually done it more quickly than trade has developed between north and south, primarily because of the tremendous protectionist measures in the wealthy countries. We certainly support increased trade among developing countries, but we don't think it should be mandated by global rules over which the great powers hold so much sway. It's not going to be in developing countries' interests; better they themselves should determine the pace and scope of the opening of their market.

● (0950)

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Mr. Fried.

Madame Lalonde.

[Translation]

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

Thank you for coming this morning and for making three very stimulating presentations.

In its statement, Canada does not commit to providing 0.7 per cent of GDP by 2015, as recommended by a number of reports, namely the most recent report by Kofi Annan, dated March 2005. A number of arguments were put forward on this topic.

Do you not think that to convince the government, you should tell it that to be in a position to play a leadership role, it will have to make commitments, as a number of countries are now doing? In other words, it will discredit itself and tarnish its international reputation, which will be difficult to re-establish.

The Vice-Chair (Mr. Kevin Sorenson): Ms. Monreal.

Ms. Maria-Luisa Monreal: It is very difficult for us to understand why Canada decided not to make that commitment, all the more so since it is the only G-8 country that has had a budget surplus for several years. It is therefore in a financial situation that would enable it to make a commitment.

Many countries, including Spain, have put in place a timeframe and mechanisms aimed at achieving the 0.7 per cent objective by 2015. Canada, for its part, has not done so, which is some thing of a paradox. I think that we must ask the government to honour its international commitments.

[English]

Mr. Kevin Sorenson: Does anyone else want to comment on that?

We will have Mr. Fried and then Mr. Chikhaoui.

Mr. Mark Fried: I would add that in speaking to people from other countries—and I do frequently—I'm always asked why Canada can't provide what Canada actually convinced the rest of the world to do. It was Canada's Lester Pearson who put the issue to the international community in 1969 and convinced everyone to pledge to meet that minimum quantity—a minimum of 0.7% of GNI. I think it's a source of shame to us, and really undermines our credibility.

The Vice-Chair (Mr. Kevin Sorenson): Mr. Chikhaoui.

[Translation]

Mr. Mohammed Chikhaoui: Thank you.

It is even more incomprehensible that Canada continues to insist on the need for giving more importance to developing countries and making international aid more effective and more substantial. It is unfortunate to see that a country like Norway—and all Scandinavians countries—which does not have as large an economy as Canada nor comparable surpluses, has met if not exceeded the 0.7 per cent objective. Norway has exceeded the objective by almost 1 per cent. You have undoubtedly heard everyone who has appeared before to talk about the 0.7 per cent.

We had an opportunity to meet with the Minister of Foreign Affairs a few weeks ago in Montreal. He came to talk about the International Policy Statement. We only asked to Mr. Pettigrew one question: When did Canada foresee putting in place a timeframe for meeting the 0.7 per cent objective? We are just as puzzled as you are.

Ms. Francine Lalonde: I have a second question. We are attempting to work in a complementary way with a view to preparing this report.

Ms. Monreal, you say that the statement does not mention the importance of information, educating the public, and the role of the public as an active international citizen. I would like you to give me more detail on this.

It is a little bit like a chicken and egg situation. The government seems to think that the public is not in favour of the idea of spending 0.7 per cent of GDP. For my part, I do not think that is accurate. However, if that is the case, we must raise public awareness.

● (0955)

Ms. Maria-Luisa Monreal: I do indeed think that the Canadian public must be aware and informed. People must understand development and globalization issues, as well as the interdependence between the north and the south. Active world citizenship needs to be developed. In this era of globalization, we must truly be concerned with what is happening in the south, because our countries are also dealing with the effects.

We are very disappointed with what is happening. For years, we had been calling for an increase in the public commitment envelope. Still not having a new strategy in this area is unacceptable. The last one ended last year, and we are still waiting. At the same time, Canadians must be informed, so that they can get involved and act responsibly as citizens.

[English]

The Vice-Chair (Mr. Kevin Sorenson): You have another four minutes.

[Translation]

Ms. Francine Lalonde: My next question is on Africa. Africa is a collective responsibility and must be at the heart of our concerns. However, there is also Haiti, which is a neighbouring country. A large diaspora of Haitian persons has come here.

I have a somewhat broad question for you, but I want to leave you some time. Is not the responsibility becoming more crucial in this case, since we are seeing certain things on TV, when there are ways of filming what is happening? There was no TV in the Democratic Republic of the Congo. People wondered if there had been two, three, or four million deaths, as if the figures were not staggering.

So what do you propose to do in light of this African and Haitian tragedy? It seems to me that as far as Haiti is concerned, we could make a special effort, since we are in a position to help the country. We can do an assessment, and the diaspora can help.

[*English*]

The Vice-Chair (Mr. Kevin Sorenson): We will go to Mr. Chikhaoui.

[*Translation*]

Mr. Mohammed Chikhaoui: I'm going to start with Haiti. We, who work at the Quebec chapter of Oxfam, were surprised that Haiti was not specifically mentioned in the International Policy Statement because we have a relatively important program in Haiti. When we asked a question to this effect, we were told that Haiti fell under the category of countries in crisis. Last year, you know that Canada committed to sending \$104 million to Haiti, alongside other donor countries. As such, Haiti will benefit from a partnership once it is no longer in crisis.

We believe that Haiti is a particular case for Canada and that it should have been mentioned specifically in the International Policy Statement, since for us, it is far too important a country. For decades, Haiti has suffered under the heel of tyranny, poverty, and extreme insecurity. Clearly, I believe that a particular effort must be deployed for Haiti.

It must be recognized that Canada seems to play a very active role in Haiti. I have witnessed this myself. This is the very reason we are surprised that Haiti was not specifically mentioned in the statement.

With respect to Africa, everyone agrees in saying that Africa must be removed from the margins; however, Africa seems no longer to be of interest to anyone, when it comes time to act, prevent and help these people put an end to their conflicts. They are only words. Peace and security are fundamental to development. If there is no peace and security, there is no development. The absence of peace and security breeds poverty. There must be action in this regard.

When we look into the NEPAD program, the Canada Fund for Africa, which has a budget of \$500 million, we do not know what has become of it, how the fund will be managed. We do not see the results. Unfortunately, it must be said that there are a lot of shortcomings with respect to governance in Africa. Canada must focus on helping civil society in these countries because the ones who suffer are the citizens, and not those who govern. It is a matter of helping civil society. In fact, I want to answer Mr. Menzies' comments on the role of NGOs, which have vast experience in collaborating with African civil society partners. Canada could support Canadian NGOs that in turn can help African civil societies—that are highly diverse—solve their problems, because they have no leeway.

Africa is mentioned in the International Policy Statement. We hope that what is contained in the statement will truly be achieved and that Canada will pave the way for other countries, particularly G7 countries. The British government struck the Commission for Africa, in which our own Minister of Finance was involved. Their observations are astounding. Action must be taken now and quickly.

• (1000)

[*English*]

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Mr. Chikhaoui.

We'll now go to the government side and Ms. Phinney.

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Chair, thank you for taking the time to speak to us today. It's too bad we've got a minority government and can't travel to any of these countries to see what's going on ourselves. It would be helpful.

You mentioned that developing countries should be deciding for themselves when to open up their borders for trade, and that they should do it at their own pace and not when other developed countries decide. Were you thinking then of the World Bank?

When the World Bank comes here to talk, my impression is that it is a very good organization. Then I go to some place like Grenada, where they're told they can't grow bananas now, because somebody else is growing bananas, and they've got to grow...I don't know, pumpkins or something. Is that the type of thing you're talking about? How do you think the World Bank is doing in helping poor countries? That's the first question.

You also mentioned Canada focuses most of its trade on a self-interest basis. Could you give us any examples of how trade based on self-interest has been to the detriment of the other countries, or even some positive examples of good we have done in trading with underdeveloped countries?

Mr. Mark Fried: Thank you very much.

Regarding the international financial institutions, the World Bank and in particular the International Monetary Fund have been instrumental in obliging countries to open their markets and to do so rapidly, apparently due either to the pressures from the major stockholders of the bank and the fund, or because of an ideological drive that free markets are the best—but you have a situation such as in Haiti, for example, where the International Monetary Fund insisted that their rice tariff be reduced to practically nothing. Haiti used to be self-sufficient in rice. Now they're flooded with subsidized rice from the United States, and the worst poverty malnutrition is in the rice-growing area—so yes, they have played a very damaging role by insisting on rapid liberalization.

Indeed, the World Trade Organization is an arena in which developing countries are trying to reassert some greater control over their trade policies by setting rules to allow them to open at a pace that makes sense to them. They all committed to opening, but to do so at a pace that makes sense to their development. But on the loans they receive from the international financial institutions, they are stuck with trade conditionalities that often will not allow them to make use of the WTO provisions, should we win them in these negotiations. That is a problem.

Regarding trade and self-interest, I think Canada's trade is, by and large, very positive for the developing world, and I didn't mean to imply that Canada should not be trying to trade. We should, certainly.

It's where.... An example could be, as I mentioned before, a policy being pursued by Canada's government—a trade rule that would be damaging to developing countries, but that the government perceives to be in the interest of Canadian business. Whether it is or not is another question.

For example, Canada is supporting the radical tariff-reduction formula—open up; achieve real market access for every product in every country. This is Canada's goal; it has been stated again in the international policy statement. Canada's producers have told me that tariffs are not the obstacle they face—that they face other, and much more serious, obstacles in unfair trading practices by the major powers, and that tariffs are not really the issue. For example, the canola exporters want to sell more to India; they can't, because the tariff structure there is not harmonized. The tariffs offered to soybean oil are much lower than the tariffs on canola oil, and that's because the United States has the clout to force the government to put it down. A rule that's going to bring down tariffs on all products is a rather blunt instrument to achieve that parity. It could have damaging effects for domestic producers and not necessarily assist the Canadian exporters.

The other example I gave was on intellectual property. The Canadian biotech and pharmaceutical industries are very interested in protecting their patents overseas. This is understandable from their own commercial point of view, but is not necessarily in the interests of developing countries, where they have their own challenges to face and where intellectual property rules, as they are written internationally, are essentially a tax on development. It's money you have to pay to the transnational corporations for the ability to use technology. We did have some flexibility in this regard.

• (1005)

The Vice-Chair (Mr. Kevin Sorenson): Mr. MacAulay.

Hon. Lawrence MacAulay (Cardigan, Lib.): I'll just add on. I certainly appreciate you being here.

You talk about lowering tariffs. We have people who come before this committee who think that.... For example, we have a problem in the agricultural sector in this country. There are people who feel that supply management is something that should not be in place in this country. I would just like you to comment on that. With the problems in the agricultural sector today in this country, how do you feel about supply management, which in my opinion provides a pretty stable system for this country? Do we make changes in this area to hurt ourselves in order to probably not be able to be as responsive to countries we should be trying to help? I would like you to just respond to that. I have other questions.

Mr. Mark Fried: I would be happy to speak to that. Actually, we helped to sponsor a conference just a couple of weeks ago that brought together farmers from developing countries and Canadian farmers to talk about supply management, among other things. The supply management system is an example we see as something very positive for developing countries that has worked for producers and for consumers in Canada. Interestingly enough, in this particular case it has not harmed developing countries. Supply management in Canada is not like supply management in Europe, where they manage supply in order to create an excess, which they then sell at low cost overseas in poor countries. They dump it in poor countries—sugar, for example, from Europe.

Canada does not export its dairy, poultry, and eggs. Therefore, the production is limited by the farmers' choice to meet the needs of the domestic market. The only way it could possibly harm developing countries is that there's a high tariff. If developing countries wanted to export those products to Canada they would not be able to do so. However, there is a minimum market access that is written into the supply management system of 5%, which is real market access. The fact is that there are no developing countries in a condition to export those products to Canada. It would be the United States and New Zealand that would be exporting into Canada should the supply management system be undone.

• (1010)

Hon. Lawrence MacAulay: Go ahead.

[*Translation*]

Mr. Mohammed Chikhaoui: If I may, I would like to complete Mark's comments. In Quebec, we work quite a bit with the Union des producteurs agricoles, specifically the international development section which initiated the fair trade movement. This movement brings together many producers from West Africa. The movement advocates fair trade practices which bear many similarities to Canadian supply management.

To confirm what Mark has just said, I would add that Canada's model of supply management can be easily exported to developing countries, but these countries have to be assisted in restructuring. Canada can lead these developing countries to organize their agricultural production and to manage their domestic consumption and production, according to the Canadian model.

[*English*]

Hon. Lawrence MacAulay: Thank you very much. I wish your voice could be heard loud and clear in this country and in the WTO and other areas, because you do realize that supply management generally comes under pretty heavy fire in many areas.

It has created stability in this country. I certainly agree that we could help put this system in place in many other countries and help farmers survive for themselves. It's very difficult to sit here and have people saying—you are not, but I've heard it here and didn't get a chance to speak—that supply management is a problem. Nothing is a problem if it provides stability in one's country to allow people to survive.

I'll take another round when it comes.

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Mr. MacAulay.

Hon. Lawrence MacAulay: I have more.

The Vice-Chair (Mr. Kevin Sorenson): Your time is up in six seconds.

Hon. Lawrence MacAulay: Well, I can't do it in six seconds.

The Vice-Chair (Mr. Kevin Sorenson): You're done.

Madam McDonough, please.

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

Thank you for your presentations.

I would like to pursue two issues all of you have alluded to. One is Canada's lack of commitment to move decisively towards meeting our international obligation of giving 0.7% of our GNP to foreign aid. The other has to do with the supply management issue. I'm happy you have spoken to this.

I wonder if I might make a request. I was horrified at some of the previous witnesses before this committee, as recently as Tuesday, taking dead aim at our supply management system. They said it was causing serious problems for the poorest of countries, which are overwhelmingly dependent on agriculture. I congratulate you for bringing Canadian farmers and overseas farmers together, under the umbrella of NGOs, to collaborate on this issue. I wonder if you could share with the committee any resulting report and suggest some witnesses we might hear on this matter.

This is a serious issue. This committee has a responsibility to address it. It's disappointing that the international policy statement addressed neither agriculture in general nor these questions specifically. I know Roy Wilkinson, among others, is an articulate spokesperson on this. I would appreciate it if you could supply the clerk with suggestions on how to follow up on this.

On the ODA question, I can't speak of it prior to the winter of 2003. But I can honestly say that since I joined this committee as the foreign affairs critic for the New Democratic Party, we have had dozens of witnesses, starting with Stephen Lewis, perhaps the most articulate, on April 1, 2003, right up to today, pleading with Canada to move to 0.7%. Yet this committee, going back a couple of years, refused to endorse this view in a report to Parliament. I haven't had a chance to test this, but I suspect that today this committee would urge the government to do it. Otherwise, we're just a charade here, listening to witnesses who keep pleading the case, while we do nothing about it.

I want to raise a question on this matter: what is it going to take to mobilize the government, to force it to do this? With respect to civic engagement, the participation of civil society, I wonder if you could expand on the importance of the government doing more on this issue, both domestically and internationally. What do you have in mind? What do you think might make a difference? What kinds of processes and forms should we pursue? Understandably, civil society is getting worn down by all the attempts to collaborate with the government, which turns a deaf ear. So I wonder if you could elaborate on this.

• (1015)

Mr. Mark Fried: Regarding the supply management, I would be happy to send to the clerk the declaration from the meeting of two weeks ago between farmers, north and south, and NGOs. I will forward it to you and suggest witnesses who could speak to the issue.

Ms. Alexa McDonough: It would be very helpful.

Mr. Mark Fried: Regarding the 0.7%, it would be helpful if the committee were to approve a resolution calling for Canada to reach the goal of 0.7% of gross national income by 2015. I'm wearing my white band. This is part of our campaign to make poverty a thing of the past. We've been mobilizing Canadians around the country.

We do this not with government money but with money from donors. One of the difficulties we have with citizen engagement is

that most of our donors don't want to give money for that sort of thing. They want to give money to help poor people overseas. So we can only use a small amount of money for our engagement in global education and public engagement in development. Therefore, CIDA public engagement programs will be extremely important if we're going to have a systematic and comprehensive way of reaching the Canadian public and interesting it in development issues.

Before 1993, Oxfam had 15 staff across the country going to small communities and talking about development issues, giving presentations in churches and schools. It was funded by CIDA. That is all gone. We're down to three staff. Naturally, our ability to be effective in this outreach work is limited. We are unable to use significant amounts of donor money for it, because the Canadian public wants to give money to help poor people overseas, not to talk about issues here.

Ms. Alexa McDonough: Thank you.

I wonder if I could ask any of the three witnesses to elaborate somewhat on the whole issue of Canada Corps. I think we've heard almost consistently before this committee, yes, absolutely we need to increase support for Canadian volunteers overseas. But a lot of concern has been expressed about the federal government setting up a whole new infrastructure and bureaucracy, instead of really utilizing the excellent reputation of our NGOs around the world, their know-how, and the infrastructure, and doing this in the more cost-effective way—and also possibly, the safer way today, because there is some concern about Canada increasingly becoming the target of some hostilities, and given that governments in general are perhaps not seen as effective participants, as able to engage civil society overseas as effectively as the reputable, experienced NGOs.

The Vice-Chair (Mr. Kevin Sorenson): Mr. Chikhaoui.

[*Translation*]

Mr. Mohammed Chikhaoui: Thank you, Ms. McDonough, for giving me this opportunity to talk about the Canada Corps.

I must admit that even though we have participated in numerous meetings with the minister for International Cooperation and with CIDA to talk about the Canada Corps, we do not have a clear idea of where this organization is heading. It is very vague. We do not know if existing programs will be placed under this sort of Canadian umbrella. That is a first point.

The second point is that there seems to be a desire to have the Canada Corps focused on one single aspect of cooperation, that of governance. International aid, conflict prevention, the fight against poverty are not simply a matter of governance. It is true that governance is an important point, but it is not enough. To our mind, it is a bit dangerous to limit the Canada Corps strictly to the area of governance, because that would cut into the work of all organizations which fight against poverty, and would in effect turn into a sort of headless monster, or perhaps one with several heads, we do not know.

We have asked for clarifications on this new structure. We do not even know how it will be financed. Will there be new funding? Like yourself, we would like to have more details on the Canada Corps.

There is one other dimension to the Canadian public's commitment. Too often, and specifically in the International Policy Statement, the public's commitment is described in such a way that it is assumed that Canadians will bring only good news to developing countries and promote Canadian values. There is almost nothing on solidarity efforts, on efforts to understand international issues. If we truly want Canadians to become global citizens, it is not enough to just promote Canadian values. We agree that Canadian values are important, but one must also understand other countries' values and the difficulties they experience. Why do these countries have such difficulties? How can we help them free themselves from poverty?

Mark said earlier that we, the international cooperation organizations, have fewer and fewer resources to dedicate to fulfilling the Canadian public's commitment.

I want to take this opportunity to touch on a point that affects me personally. I want to talk about the act governing charitable organizations. This statute dates back to the XVIIth or XVIIIth century, back to the reign of Elizabeth I, and I imagine that the United Kingdom has modernized it since. Canada continues to maintain a very outdated law that shackles charitable organizations into very complicated tax structures. We are told that we do not have the right to spend more than 10 per cent of our resources on policy development.

I want to take today's opportunity, as I find myself before you, to ask you to overhaul this act on charitable organizations, which is very much outdated.

Thank you.

•(1020)

[English]

The Vice-Chair (Mr. Kevin Sorenson): Ms. Monreal, respond very quickly, because we're at 11 minutes already here, and then we'll go to the Liberal side and back to the opposition.

[Translation]

Ms. Maria-Luisa Monreal: With respect to the public's commitment, in my opinion, it is a matter of rights. The citizens of Canada have the right to be informed, to influence the government and to be involved in policy development.

[English]

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Ms. Monreal.

We have three minutes. We have another committee meeting after this committee, so we want to be very quick.

Mr. McTeague.

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Thank you.

I wanted to thank the

[Translation]

distinguished guest for appearing before this committee. Earlier, Ms. Lalonde asked a question on pharmaceutical patents and their impact in Africa, specifically with respect to AIDS.

[English]

Mr. Fried, you and I, at a previous time, the last time we did indeed meet with *Médecins sans frontières*, put together a strategy to try to prod my government to do something about the pandemic in Africa. I'm glad to see that there was much in the way of movement on this.

Structurally, Madam Lalonde may have asked questions as to what we need to do and you may have answered those. I apologize for asking the question again, but I want to know specifically whether, as you see it, in tandem with your view that we should not provide any type of reciprocity in trade to arrest global poverty, what you see as the next step towards reduction both of disease that is preventable in places like Africa, as well as at the same time working hand in hand towards the eradication of poverty through food programs.

Are we in a position, through your NGOs in particular, which do an excellent job around the world, at taking it to the next step to ensure that such reduction outcomes are indeed sustainable for the long term?

•(1025)

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Mr. McTeague.

Mr. Fried.

Mr. Mark Fried: We're doing our best, particularly in regard to access to medicines. We were very pleased to see Canada pass the law that allows for the export of generic copies of patented medicines so that countries who are facing serious public health needs are able to access affordable medicines. Unfortunately, to date, nothing has happened. We have the law, but we don't have any medicines going to countries where they are needed.

Part of the problem is, I think, in the details of the way the law was written. There are certain disincentives for the generic companies to getting involved, and it's undoubtedly a complicated business. It would be very positive, I think, if the government could revisit this, if the committee could ask the generic companies to come here to talk about why they haven't done it to date, what the obstacles are, and how we can overcome them.

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Mr. Fried. That was twenty seconds.

Mr. Day, and then Ms. Guergis.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): I'll try to be brief with a question, and then there'll also be a question from my colleague from Simcoe—Grey. If the people we ask don't have time to answer fully, it would be great if they could get back to us in writing.

[Translation]

I want to mention to Ms. Monreal that I agree with most of her presentation. Thank you.

We also believe that the government, through its international policy statement, does not make any formal commitment to reach this objective by 2015. We agree with you completely when you say that to reach 0.7 per cent by 2015, Canada must increase its annual ODA budget by between 12 and 15 per 100.

[English]

Where I have some difficulty—and I'll try to make this really quick—is with a remarkable statement you've made. You say that the United States started the war on terror and the world is less safe.

The war on terror, of course, was engaged by the United States, Great Britain, Australia, Japan, and the majority of countries in the EU. Since then Canada, though not involved in Iraq, and I'll make that very clear, clearly is involved in the war on terror. We're in Afghanistan; we've just increased our military allotment to Afghanistan. Our brave and courageous troops are defending people in Afghanistan and at times are having to kill people there to fight the war on terror.

Even international commentators who are consistently anti-U.S. or anti-west have grudgingly pointed to democracy beginning to emerge in Afghanistan. It's starting to emerge in Saudi Arabia with elections there. Lebanon is starting to break away from the Syrian grip. Iraq, of course, is nothing short of remarkable. The women are getting the vote in Kuwait. In Iran, just in the last two days, there are some bold democrats beginning to stand up there. It's been a remarkable change in a very short period of time, albeit we know there are still incredible challenges there.

Before the member for Simcoe—Grey quickly asks her questions, if you could get back to me, do you really think Canada and the other countries involved in the war on terror are making the world less safe?

The Vice-Chair (Mr. Kevin Sorenson): Ms. Guergis.

Ms. Helena Guergis (Simcoe—Grey, CPC): Thanks very much.

My first question is for Madam Monreal. You explained that you were baffled by the 25 countries that the IPS statement favours. You acknowledged that it is, of course, a difficult decision. I think that all of us around the table would agree. Is there something wrong with the list? Is there something that you would suggest should not be on the list or should be replaced in favour of another country?

My last question is this. Considering that CIDA has no legislative mandate, do you believe that perhaps they should? Spending \$3 billion per year in their budget and not having the Auditor General actually audit them is a concern.

The Vice-Chair (Mr. Kevin Sorenson): This is like question period. We're going to pose a question, but we won't get an answer, unfortunately, because our time has run out. The other witness is here and we have another committee coming in.

Those are two very clear questions. You can check with the clerk, if you want to get a little more information, and you could get back to us with the answers.

There were a number of other things.

Mr. Fried, I think the one report that you referenced from two weeks ago has been requested, if you wouldn't mind, over the next period of time.

• (1030)

Mr. Mark Fried: I will send it to you.

The Vice-Chair (Mr. Kevin Sorenson): Thank you very much.

Thanks again for coming. It was a very worthwhile presentation. We appreciate it.

We're going to suspend for one minute. I'd ask each committee member to stay in your seat. We will then welcome the next witness.

• (1030)

(Pause)

• (1032)

The Vice-Chair (Mr. Kevin Sorenson): Welcome back.

We're very pleased to have Dr. Yossi Olmert with us today. Dr. Olmert is a top scholar on the Middle East. He is a much-sought-after speaker. He has played a role with policy-makers in Israel, the Arab world, and the United States as the director of the Government Press Office and adviser to the then Prime Minister, Yitzhak Shamir. We look forward to his testimony this morning in regard to Canada's IPS international policy survey and review.

Dr. Olmert, welcome to the committee on foreign affairs and international trade. We look forward to what you have to say.

Dr. Yossi Olmert (As an Individual): Thank you very much, Mr. Chairman.

Esteemed members of the foreign affairs committee, I would just like to make sure you understand I am not representing the Israeli government today; I am an independent individual.

Thank you for offering me the opportunity to address you today. I will keep my remarks brief, so that there will be the maximum time for questions. I'm really privileged to appear before your important committee so soon after you in Canada conducted such important research about Canada, the Middle East, and the Islamic world. I see that as a token of your interest, and I appreciate it.

Let me make a few comments. For many years, it was taken almost for granted that the Arab-Israeli conflict in general, and the Palestinian-Israeli conflict in particular, were the main seeds and reasons of instability in the Middle East. The argument was that the solution to these conflicts would in itself lead to a process of democratization, economic prosperity, and political stability in the Middle East.

I would say that although old notions die hard, they finally do die, because as a result of recent developments, particularly the fall of the Soviet Union, the first Gulf War, the failure of the Camp David Israeli-Palestinian talks, the events of September 11, the second Palestinian intifada, and of course the American invasion of Iraq, we are witnessing today a change of perception with regard to this core issue.

It is becoming abundantly clear that the process of democratization depends mainly on the combined effect of internal developments in certain Middle Eastern countries coupled with global developments other than the Arab-Israeli situation.

The process of democratization, I would argue, is bound to be slow and may take years, perhaps even a generation or more. Let us draw from a possible historical parallel: the movement towards reforms in the old Ottoman Empire, which controlled the Middle East, as you know, took place in the late 19th century, early 20th century. It was initiated mainly by western pressure at that time, and the results were felt much later on and were limited to just one or two countries in the Middle East.

Still, I would argue that we ought to be encouraged by first steps taken in Saudi Arabia, Egypt, the Palestinian Authority, and Iraq. I mention these countries by reverse order of significance: there has been a very modest beginning in Saudi Arabia; more significant steps in Egypt; a very significant and positive development in the Palestinian Authority; and a promising situation, albeit problematic of course, in Iraq.

There are also positive indications about three other countries: Kuwait, where voting rights were finally granted to women; Iran, where opposition elements, mainly students and youngsters, seem to be on the rise against the theocracy of the mullahs; and Lebanon, where popular sentiment of almost all religious communities proved to be very significant in terminating Syrian occupation of the country.

As an Israeli, I feel very strongly that while it has been Israel's privilege to be the only functioning democracy in the Middle East for so many years, it would be a major contribution towards the attainment of peace, which is Israel's ultimate goal, if the movement towards democracy, prosperity, and stability were to have a lasting rather than temporary effect.

The Israeli-Palestinian peace process, which is clearly a priority for Israeli foreign policy, is already moving ahead. At the same time, I would argue, one can see that the absence of any meaningful movement in the Syrian-Israeli peace process relates closely to the fact that Syria remains a totalitarian state with an idiosyncratic regime.

By way of summing up, let us remember that the 20th century shows us very clearly that wars rarely break out between two democratic nations. I would strongly advise people, therefore, in governments with goodwill to invest heavily in promoting education tolerance and democracy throughout the region. The possible benefits, in my opinion, are enormous, whereas the possible ill effects are too dangerous to contemplate.

Here I rest. I am willing to take all your questions on what I mentioned and didn't mention.

Thank you very much for the opportunity.

•(1035)

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Dr. Olmert.

I know that Mr. Day had a number of questions. I think you answered a lot of them, because I see his notes of questions have been diminished.

Mr. Stockwell Day: I still have a lot.

The Vice-Chair (Mr. Kevin Sorenson): We're going very quickly in the first round, three-minute rounds. We have to be out of here in about twenty minutes. So, three-minute rounds.

Mr. Day.

Mr. Stockwell Day: Thank you, Dr. Olmert.

Certainly I can tell you from the point of view of the official opposition in Canada that we share your view that the promotion of democracy is the single greatest factor towards freedom and peace, because democratic nations, as you state, very rarely go to war against each other.

We're encouraged by the early—and we know it's early—signs of virtual outbreak of the beginnings of democracy in the Middle East, where Israel has been outnumbered for decades. We hope that continues.

When President Abbas was here on Friday—and he made some very good presentations—he was very sincere in his remarks, and of course we hope he is successful in what he is pursuing. I asked him if he could make comments in three areas. I'll ask you the same.

Though there has been a significant reduction in terms of the suicide attacks and bombings, from Gaza area there are still almost daily missile attacks into Israel. Can you comment on that? Do you see that subsiding?

Hamas, as it moves towards democratizing—supposedly—is that a threat, or is that an opportunity?

Dr. Yossi Olmert: First of all, I really believe that it is clearly a positive development to see Mr. Abbas at the helm, so to speak, as the leader of the Palestinian Authority, being democratically elected—and not by 99.9%, but by only 60-something percent in genuine elections, which, as I said, was a very positive development.

Clearly, I'm encouraged by the tone and spirit of his remarks. Clearly, I'm somewhat discouraged, though, by the lack of action. I believe we are in a very shakey situation.

Just to give you an example, sir, yesterday the Israeli security service detained two suicide bombers on their way to suicide missions in Israel. Just imagine if they had been successful, those murderers; instead of being caught they would be able to do whatever they have in mind to do, and we would sit here today and talk differently.

I believe it is not for me as an Israeli—and I really want to make this point—to comment on how the Palestinian Authority should handle its relationship with the Hamas movement. But from my perspective as an Israeli, I continue to see Hamas as a threat, because that's what they say. They don't accept Israel's right to exist with any borders, under any conditions, and if they accompany their statements with actions it will be a very dangerous situation. Hopefully it can be prevented and averted.

If you couple this with what may happen soon enough in the Gaza Strip and in parts of northern Samaria when the Israeli disengagement plan is carried out, that clearly has the potential for positive developments. But it is very shakey and fragile, and one has to remember that still today the Israeli authorities—and not the Palestinians, by the way—are detaining almost daily possible or potential suicide bombers. So we need to be very careful and on the alert all the time.

•(1040)

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Dr. Olmert.

We will go to Madam Lalonde. If we cut preliminary remarks short, we will get more questions in. Three-minute rounds.

[Translation]

Ms. Francine Lalonde: You understand that Mr. Olmert is touching upon many issues.

[English]

The Vice-Chair (Mr. Kevin Sorenson): If you pose your questions they can answer.

Ms. Francine Lalonde: I understand. I repeat that he embraces a large scope.

Dr. Yossi Olmert: I'm afraid I have a technical problem.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): That should not be deducted from the time allocated to Ms. Lalonde.

[English]

The Vice-Chair (Mr. Kevin Sorenson): Madame Lalonde, your time is up.

Voices: Oh, oh.

The Vice-Chair (Mr. Kevin Sorenson): We'll fix the technical problem and we'll start this block over. Reset the clock.

Madame Lalonde.

[Translation]

Ms. Francine Lalonde: Mr. Olmert, thank you for giving us an opportunity to speak comprehensively about this situation. I do, however, have two comments to make on what you said, and on the background to it.

There are extremists in all camps. It is true of the Palestinians and the Israelis. Mr. Aitan, who is claiming the entire territory, right to the sea, is not making matters any easier.

I would like to say—to rile you up a little bit—that I recently read an excellent book, that I recommend to everyone, which is entitled *All the Shah's Men*, written by a former *New York Times* journalist, Mr. Kinzer.

He describes the revolution fomented by the British Empire and the Americans, who wanted to maintain control over oil in Iran, against Mr. Mossadeq, who represented hope for democracy in Iran and the region. He says that they enabled the Shah to be installed on the throne, the Shah who then enabled Khomeini to return as the great leader of Iran and of the most extremist faction of Islam.

It is difficult to say that things are going in that direction, when the interest of the superpowers—which now include multinationals—will not benefit from it.

What do you think?

•(1045)

[English]

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Madame Lalonde.

Dr. Olmert.

Dr. Yossi Olmert: Of course I agree with you that there are extremists on every side. But I think you may agree with me as well that you haven't seen hundreds of Israelis blowing themselves up in Palestinian cities. In that sense, what really matters is not what people say, but what people do. Therefore, there is no comparison here.

[Translation]

Ms. Francine Lalonde: I would like to add a short point, I read the *Ha'aretz* on a regular basis. Yesterday's edition contained an interesting article showing that there is a very fine line between suicide bombings and targeted assassination. I mention that to show you that I am following the debate.

[English]

Dr. Yossi Olmert: Well, I think there is a need on the part of every democracy to defend itself. When you know that somebody's coming to your building and perhaps wants to blow himself up with 50 other people and that the only way to stop him is by using violence against him to save the lives of 50 innocent people, you should do that. I think that's a practice being followed by other governments, not just Israel.

I would clearly draw a line between the need for self-defence and the murderous ambitions of those people who are after innocent Israelis—and Palestinians, by the way.

I don't really want to comment about what brought about the downfall of the Shah. That was an interesting situation. I heard you intently, and it was very interesting.

The Vice-Chair (Mr. Kevin Sorenson): Thank you.

We'll go for three minutes to Mr. McTeague.

Hon. Dan McTeague: Dr. Olmert, thank you very much for being here. I think yours is a very important perspective in the brief time you've been given. I hope that is not seen as disrespectful for the good intervention you've made here.

We too are interested in both democracy and peace. Of course, we were saddened when the peace process and the only author of peace, your prime minister, were stopped by assassination several years ago when peace was truly at hand.

I'm wondering, Doctor, if it might be possible for you to give us an overview, as you see it now, with respect to the occupied territories and our apparent inability to try to resolve the right of return of all people of Jewish faith. How are we going to be able to contend with the real geographical problem, which is the very limited amount of land to which everyone makes a similar claim? Is it still possible, in your view, to have everyone come to a position where there can be a just and lasting peace, whether through the road map or through the late Jordanian king, who wanted to see this happen?

The Vice-Chair (Mr. Kevin Sorenson): Dr. Olmert.

Dr. Yossi Olmert: When I think that the fate of the "disputed lands".... Allow me to use this term, because when you have a dispute, these are disputed lands, and you need to negotiate the fate of those lands. It ought to be decided by negotiations.

The road map is clearly one of the most important documents on the table, perhaps the most important one, that could lead us through. But we need to understand that we are, now, already witnessing a gross violation of the road map, because the militants, as the people call them, but the murderous terrorist organizations, as we call them, were supposed to be dismantled, and nothing has been done about it. I would argue, therefore, that the first step to implement the road map should be the implementation of what the road map itself says, which is to dismantle the terrorist infrastructure in the territories.

If you are asking for my personal opinion, clearly, the solution of the territorial problem between us and the Palestinian Authority would have to include, as a result of negotiations, a major territorial concession of those disputed lands on the part of Israel. I would argue that it is premature to give any percentage estimate of the lands, but I will not surprise you if I say it is my distinct impression that the current government of Israel would not be ready to repeat what was offered to the Palestinians at Camp David, which was 100%, and was rejected, and led to the war of terrorism that was initiated against Israel in September of 2000.

The lesson there was that even if 100% of what was disputed is not enough, maybe the approach should be somewhat different. As somebody who supports the current government in Israel, I would therefore be surprised if they offered something like this again. There would have to be a very major territorial compromise—and the key word here is “compromise”—as a result of negotiations.

• (1050)

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Doctor.

Madam McDonough.

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

I just want to note two things about Dr. Olmert's presentation. The first is that I think he noted, as if it was kind of a qualifying reservation, that Abbas was elected by only 60%.

Dr. Yossi Olmert: No, on the contrary, I said it is to his credit. That shows it was genuinely democratic.

Ms. Alexa McDonough: Okay, because I just want to advise you that the federal Liberal government was elected with a lot less than that.

Secondly, I have to say that I'm a little disturbed, frankly, by what I hear in some of your comments, some of your responses, to be almost a kind of backsliding from what I think is a welcome, far more moderate, and kind of consensus-seeking approach that we see between Israel and Palestine today. As someone who had the privilege of visiting Israel and Palestine a couple of months ago, I have to say it was very encouraging to hear people not flinging around words about murderous terrorist activities and murderous ambitions and so on. I think we're looking for people really going where they've never gone before, to say, “we are going to hold together and move this peace process forward”.

I guess I'm just trying to understand the auspices of your presentation to the committee this morning. Are you in some way representing a particular organization or a particular connection with the Israeli government? I have to say I've been very pleased that the Israeli ambassador, who spoke in Halifax just last week, has been far

more temperate and moderate and optimistic about things moving forward than what I'm hearing from you before the committee today.

Dr. Yossi Olmert: First of all, I will not be drawn into Canadian politics. You already talked about the Liberal—

Ms. Alexa McDonough: You've come to insert yourself in Canadian politics, sir. That's what this committee is. It's a committee of the House of Commons.

Dr. Yossi Olmert: I understand...because of the comment you made about the election results and so on, the comparison with Canada. So I won't be drawn into this.

I was making a very positive remark about the fact that 62% is genuinely democratic, as opposed to 99.9%. So that was the context.

I am a very private individual, although I am very close to the government by way of being a Likud supporter and having family connections, but I'm not representing anyone.

I believe that I'm very positive and optimistic—maybe not very optimistic, but reasonably optimistic, realistically optimistic. That is to say, when I hear that two suicide bombers were caught yesterday, I need to mention it, because we need to understand that this could happen.

I really believe that there is an opening here. I support the Israeli disengagement plan because I believe that this is a first step along the road that should be taken to disengage Israel from most of the territories, and I think that this is clearly in line with the idea that we should have a compromise. But I must tell you that we need to be realistic in the Middle East, or about the Middle East, and to never gloss over the danger of terrorism, because terrorists prove to be, on so many occasions and throughout so many years, the main obstacle for achieving peace. And the terrorists are not Abbas and these people. There are clearly men of peace and they are seeking peace. Therefore the terrorists are enemies of both the Palestinian Authority and the state of Israel.

So in that sense, in my opinion, the way I look at it, to talk against the terrorists is to talk positively about the prospects of peace between Israel and the Palestinian Authority, which is the legitimately, democratically elected authority of the Palestinians.

The Vice-Chair (Mr. Kevin Sorenson): Thank you, Dr. Olmert.

I would like to ask one very brief question. When Prime Minister Barak was basically willing to give up most of the disputed territory, we were led to believe that it was about 97% or 92% of what was requested from the Palestinians that he was willing to give up.

Seeing that you do have a close relationship with the Likud party, and also that Prime Minister Barak lost the election basically over that deal, what is the feeling of the majority of the people? You talked about percentages. You talked about 100%. On the disputed amount of land, what do you think the government in a negotiation would be looking at, percentage-wise, to perhaps turn over? Perhaps you could just comment on that.

•(1055)

Dr. Yossi Olmert: I think that the former foreign minister, Professor Shlomo Ben-Ami, who was negotiating on behalf of Barak at Camp David.... After the Camp David talks they went to Taba in Egypt to pursue the negotiations. At that time they talked about 100%, but Barak lost the election because there was violence despite the concessions, and people said, "Look, if you are offering so much and yet there is violence, maybe you should change the approach."

I personally believe that Israel will be willing to make very generous territorial concessions under the proper set of circumstances. I would not be drawn into the percentage game, because I think there is no point in pre-empting negotiations by determining the final outcome. The entire thrust of negotiations should be that we come to the table with good will to see what can be done. We are realistic. We understand what the needs are. We understand what the claims of the other side are. We realize what the demographic reality is. We realize the geographic connotation and so on, but we still are aware of the question of terrorism, the security concerns, and the historical and religious rights.

All this will be put on the table, and if terrorism will recede over a long and extended period of time, you will see that more and more Israelis, including those from the so-called right wing in Israel, are more and more willing to accept the need for more and more territorial concessions—but percentages will not be given by me.

The Vice-Chair (Mr. Kevin Sorenson): Very wise.

Thank you, Dr. Olmert. Thank you for coming and sharing... fascinating as always. And we wish we could have had more time.

Mr. Stockwell Day: On a quick point of order, certainly Dr. Olmert is free to stay and watch the next discussion. It is a matter related to Israel at the United Nations, and it may be of interest to him, as an observer.

The Vice-Chair (Mr. Kevin Sorenson): I think we were going in camera on that point, weren't we?

The Clerk of the Committee (Mr. Andrew Bartholomew Chaplin): No.

We have the report next.

The Vice-Chair (Mr. Kevin Sorenson): All right, yes.

Thanks again for coming.

Dr. Yossi Olmert: Thank you. My pleasure.

The Vice-Chair (Mr. Kevin Sorenson): And we will now sit in camera.

Mr. Stockwell Day: I have a point of order. I don't believe the discussion of a motion needs to be in camera.

Hon. Dan McTeague: No, we're going to committee business.

Mr. Stockwell Day: Are we going to committee business and then the motion?

The Vice-Chair (Mr. Kevin Sorenson): We're going to committee business and then back to the motion.

Mr. Stockwell Day: I'm sorry.

All right. Thank you.

The Vice-Chair (Mr. Kevin Sorenson): We will suspend for about one minute.

Ms. Beth Phinney: Why?

The Vice-Chair (Mr. Kevin Sorenson): Well, we have to go in camera.

Ms. Beth Phinney: Okay. Don't suspend. Keep us here.

The Vice-Chair (Mr. Kevin Sorenson): On this particular part, because we're in camera, it means that every member of Parliament can stay with one staffer. Otherwise, we'll have to clear the room.

It should only be for three or four minutes.

[Proceedings continue in camera]

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