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Mr. Leon Benoit

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• (0905)

[English]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good morning, everyone. Let's get started.

We have two meetings today. For the first hour, pursuant to Standing Order 108(2), we have a study on the Canada-Central America Four free trade agreement negotiations with El Salvador, Guatemala, Honduras and Nicaragua. In the second half, we have departmental officials on a study of Canada's trade policy.

In the first half, Mr. Julian, I would just like to say that if you intend to bring forward either or both of your motions today, we don't want to start with the motions at the start of the meeting. So we'll deal with them towards the end of the meeting; I'd like to set some time aside for them. Of course, it's up to you whether you bring them forth or not at the meeting. I'm just cautioning that the next meeting does start at 10, and we will have the departmental officials then

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

The Chair: Keep that in mind. I don't know what your intentions are, but those are up to you.

We have today as witnesses, from the Canadian Association of Labour Lawyers, Mark Rowlinson, labour lawyer; and Nick Milanovic, labour lawyer. Gentlemen, do you have an opening statement to make?

Mr. Mark Rowlinson (Labour Lawyer, Canadian Association of Labour Lawyers): We do. We'll be making an opening statement of eight to ten minutes.

The Chair: That's right in line with what we would like. So please go right ahead, and then we'll go to questioning after your opening statements.

Mr. Mark Rowlinson: I'd like to thank the committee, and the chair of the committee in particular, very much for having us here today on behalf of the 350 or so members of the Canadian Association of Labour Lawyers.

As the chair already indicated, with me today is Nick Milanovic. I'll be giving the first half of our brief presentation, and Nick will be doing the second half.

I'd also like to highlight for the committee that in the audience today is Nadja Drost from the Canadian Council for International Co-operation. The CCIC tabled a brief and made a presentation to

the committee during the last hearings discussing the CA4 trade agreement.

The Canadian Association of Labour Lawyers submitted a 28-page brief to the committee in June, which I trust has been translated. I think you all have copies. You'll be happy to know that we won't be going through the entire brief this morning.

I'll first briefly outline some of the concerns we have about the existing labour protections in hemispheric trade agreements that Canada has negotiated. Then my colleague Mr. Milanovic is going to review with you some of the concrete and hopefully productive recommendations we have made to potentially negotiate a trade agreement that takes labour rights seriously.

It is obviously the case that increased liberalization of trade in the Americas has significant and important implications for the rights of workers, not just in Canada but throughout the Americas, and in this particular case Central America. In Canada there is a general concern about the downward harmonization of labour rights that Canadian workers could experience, and arguably are experiencing at the moment, as the result of increased liberalization of trade with, for example, Mexico, Chile, and Costa Rica.

It has been our experience that there continue to be real problems with the actual enforcement of labour rights in many Central and South American countries—not all, but many. That's not to say there aren't often good labour laws on the books in Central America or South America—and we're talking here about Central America—but the problem frequently is enforcement. So if you're going to look at actually preventing a downward harmonization of labour rights in the Americas, which can be occasioned by an increased liberalization of trade, you need to look at the substance and enforcement of labour legislation.

Of course, because labour rights and trade rights are connected, in 1993 when NAFTA was first signed it included as part of the package the North American Agreement on Labour Cooperation, known colloquially as the NAFTA labour side agreement. We've now had that agreement for 13 years, and I think we know to some extent what its results have been.

It's important to remember that back in 1993, when the NAFTA labour side agreement was first signed, it was widely seen as a potentially bold new experiment in enforcing labour rights on a transnational basis. It would go some distance toward alleviating the concerns of workers and labour rights organizations that free trade would mean downward pressure on wages and on terms and conditions of employment. Skeptics in 1993 viewed the agreement as being merely window dressing, that it was there to placate the opponents of free trade and provide them with some comfort that free trade would not lead to the dire predictions many foresaw at that time.

Now, 13 years later, both Nick and I have litigated, pursued, and filed cases under the North America Agreement on Labour Cooperation in Canada, the United States, and Mexico. It's been our experience under this agreement that the skeptics have been proven to be correct. The current agreement has substantial flaws that make it not a viable model to pursue in the trade agreement you are now discussing.

- (0910)

The reasons for that are lengthy and set out in the brief. But in a nutshell, the problem with the labour side agreement model is that the enforcement mechanism doesn't work. The process is too slow and cumbersome, and there are no useful remedies that can be achieved against countries or employers who refuse to enforce substantive labour rights in their countries. That's partly because countries throughout the Americas thus far have refused to attorn to any kind of transnational jurisdiction when it comes to enforcing labour rights. They simply refuse to give up sovereignty over these issues.

The model in the NAFTA labour side agreement has been followed, more or less, in all of the other hemispheric trade agreements that have been signed: the Canada-Chile Free Trade Agreement; the Canada-Costa Rica Free Trade Agreement; the U.S.-Central America free trade agreement, known as CAFTA; and the U.S.-Chile agreement. The variations within those agreements are set out in our brief, but they all more or less have the same flaws.

On the message we want to send to you here today, we understand there will likely be some sort of labour side agreement or labour rights provision in the CA4 trade agreement. If you're going to include labour rights in a trade agreement, do it seriously. Take the job seriously and correct the mistakes that have been made in previous agreements.

In our brief we attempted to provide you with eight recommendations, which we ask you to consider, on how to meaningfully enforce labour rights in these agreements.

I want to turn now to my colleague Mr. Milanovic, who's going to review very briefly some of those recommendations.

Mr. Nick Milanovic (Labour Lawyer, Canadian Association of Labour Lawyers): I should preface what I'm going to say, in light of what my colleague has said, by emphasizing that this set of suggestions should be viewed with the understanding that we do not actually have a draft text of the agreement. For this reason, we cannot review it and provide you with our opinion on what is good or bad about it. I'll be coming back to this later.

I begin with the recommendation that if you're going to make these rights concrete, and if you're going to take these rights seriously, then you have to at least insert within the agreement the fundamental labour rights recently proclaimed by the ILO.

Allow me to list these rights. First, there is the freedom of association, which would allow workers to organize trade unions, together with the right to engage in collective bargaining, which would allow workers to better their situation. Second, workers should have the right to be free of forced or compulsory labour. Third, children must have the right to be exempted from labour. Fourth, workers must be able to perform their jobs in an atmosphere free of discrimination.

With a core set of labour rights inserted into this trade agreement, we could begin to see that substantive labour rights are actually being treated seriously. Our trade regime would be tempered by a basic approach that allows workers in these countries to organize, express their interests freely, and bargain collectively with their employers.

The enforcement of substantive labour rights is important. As my colleague noted, the NAALC kind of approach has emphasized that each country should enforce its own labour law regime. The problem is that these things aren't necessarily being enforced in each country. Not providing for enforcement of substantive labour rights in each country, or a universal norm, creates a perverse incentive to sign on to NAALC-like agreements and ignore labour laws. This allows some to gain a competitive advantage in the marketplace. If you're going to take labour rights seriously, you need to have an enforceable regime of labour rights that applies to all of the countries involved in the agreement.

There's an issue of whether you should have a side agreement in and of itself. Our experience is that it is ineffective to treat labour rights, or rights of any kind, separately from the rest of the treaty. In our view, you need to incorporate fundamental labour rights into the text of the trade agreement. We've seen that the United States has begun, in a very embryonic way, to do this in its relations in CAFTA and the U.S.-Chile agreements. We would urge you to do the same thing, and we would hope that we could equal or exceed that approach.

Our next suggestion is that labour rights need to be treated the same as any other rights in a trade agreement. Rights for labour and commercial rights for profit organizations ought to receive equal recognition.

Under NAFTA, corporate persons, or legal persons, have substantive and enforceable rights that could also be characterized as human rights. This allows legal persons, corporate persons, to enjoy, through the particular guarantees provided in NAFTA, rights of good faith, due process, and free expression. Traditionally, we associate these rights with human persons rather than legal ones.

● (0915)

If you're going to be approaching the issue from a substantive point of view, you have to be able to treat those rights in the same way as you would treat commercial rights. And while this is a new notion, it's not unheard of. In our brief, we point out that labour issues have been, in a very restricted way, incorporated in free trade agreements worldwide and in the NAFTA.

Currently the NAFTA has a prohibition against replacement workers coming in from another country when there is a domestic labour dispute. The GATT agreement regulates the treatment of products produced by prison labour. So there is some precedent for actually incorporating these rights into these agreements, and we would suggest that this be expanded upon and pursued more vigorously by the Government of Canada in its negotiations of the CA4.

The commercial rights I just referred to have involved the independent right of the organization itself to sue a government that transgresses these rights. In international trade law, that has been a right provided to very few organizations, and so far it has been extended to corporations rather than trade unions. What we say is that if governments aren't going to be necessarily enforcing these rights in some of the countries involved in these agreements, you have to give the private or not-for-profit organization of the trade union the right to enforce whatever labour rights you actually insert into this agreement.

To date there have been a number of suits under chapter 11 that allow corporations to enforce the property rights they have attained in NAFTA. If you're going to insert labour rights into a trade agreement like the one we're discussing, you ought to allow trade unions to pursue these rights at all times, especially when their governments are not pursuing these rights.

The interesting thing about NAFTA is that it provides those commercial entities with property rights and a true enforcement mechanism. That enforcement mechanism is an independent arbitration process. Domestically in Canada, labour lawyers are very familiar with that process. In the federal jurisdiction and the various provincial jurisdictions, we all enforce our rights through an independent arbitration means. However, the NAALC has not provided an independent means to truly enforce those rights. If you're going to have substantive labour rights, though, you have to have an efficient and independent arbitration body with the real power to remedy whatever violations are alleged.

The other thing that would be useful in promoting labour rights is to have effective state-to-state enforcement mechanisms that allow for public participation of the workers affected, along with their representative organizations. What that allows is for the governments to continue to have a dialogue about promoting and increasing the labour rights protections that they have, and to have a dialogue about any problems that they have between the states engaged in trade agreement. It also incorporates the ability of the private organizations or the non-governmental organizations to be a part of that process and to involve themselves in a consultative process to improve these.

Finally, I'd like to add that the difficulty for labour organizations in Central America, Latin America, and elsewhere in the developing world has been that their states themselves have had difficulty enforcing rights because they don't have the capacity, in their institutions, to enforce these rights. We believe Canada should help to promote an institutional capacity to develop the necessary infrastructure to enforce these labour rights. We would hope Canada pursues that.

I want to close on a last note, and I hope I'm not over my time. If I am, I'm sure the chair will let me know shortly.

There is a real need here for transparency. To date, we are addressing this committee without any direct knowledge of the text that's being negotiated. As representatives of worker organizations, professional organizations, and employees themselves, we have a real interest in understanding what the Government of Canada has or is intending for the future. We need to incorporate civil society in a discussion of how we go forward in our trading relationships with Central American countries and with others.

We would therefore call on you to immediately release the draft text of what has been an ongoing negotiation for the past five years. In that way we can inform ourselves on what's going on, and be useful to parliamentary committees like this one by providing our opinions and our technical expertise, entering the democratic discussion of where we go in the future.

● (0920)

We would also urge the Government of Canada to engage in meaningful consultations with civil society groups, trade unions, and the public at large. Although with NAFTA we had a great public debate and discussion, the free trade agreements that have come after this have been dealt with in a much more circumspect manner with respect to public consultation. We believe this issue is important enough that we need to talk about this in a public way, and the Government of Canada has to pursue a much more vigorous consultative process.

We submit that at the end of the process, if the government is going to engage in a treaty with other Central American countries, we need to have a binding vote in Parliament, after having that democratic discussion between us and in the House of Commons, so that Canadians are fully informed about the agreement itself and the various views involved. The House votes on whether or not we actually engage, and binds the executive to a decision.

Those are our submissions for today, subject to your questions. We're very interested in any questions you may have.

Thank you very much, Mr. Chairman.

● (0925)

The Chair: Thank you, gentlemen, for your presentations.

We're now going to a seven-minute round of questions, starting with the official opposition.

Mr. Temelkovski.

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Thank you very much, Mr. Chair, and thank you to both witnesses.

Maybe we'll just start at a higher level initially. Do uniform provincial labour laws exist in Canada?

Mr. Mark Rowlinson: Labour legislation in Canada is primarily a matter of provincial jurisdiction, as I imagine the member is aware. But in the federally regulated sector, of course there's uniform federal legislation.

Mr. Lui Temelkovski: So you would say there are some uneven labour law practices among provinces?

Mr. Nick Milanovic: I would agree that there is not a uniform code across Canada because of the jurisdictional divisions between sections 91 and 92 of our Constitution. However, labour law experts have noted that there is a core set of rights across this country with respect to how unions become certified, successor rights, and other matters.

So although the provincial jurisdictions and the federal government have had a different jurisdiction in creating their own models, they have modelled each other across the country with respect to how unions become organized, how labour disputes are conducted, and how other rights are treated.

Mr. Lui Temelkovski: So you would say there is room for improvement within Canada, between provinces, to make it more uniform.

Mr. Nick Milanovic: There's always room for improvement.

Mr. Lui Temelkovski: Okay.

Now, if we take it over to the CA4 agreement, the rationale behind your suggestion that maybe we should re-look at the labour law enforcement part of the agreement is that we assume, or we think, or we know, that there are some infractions of labour law codes in those countries. Would you agree with that?

Mr. Mark Rowlinson: I think that's essentially correct. I mean, there are infractions of labour law in virtually any jurisdiction that you might care to look at closely. That's why you have enforcement mechanisms.

The broader point we would make is that if one is going to accept the proposition—and I think we're getting to the point where we have to accept the proposition—that capital and corporations are going to act transnationally, then we need to look at meaningful ways that labour rights can be enforced transnationally as well. That's essentially it.

Thus far an enormous amount of attention has been paid to giving transnational capital and corporations rights across borders, but very little attention has been paid to actually making sure that workers, who of course aren't as mobile as capital, can work on at least some even playing field, and that, as Nick said, there isn't this perverse race to the bottom, where countries seek a competitive advantage by not protecting the most basic labour rights for their workers.

That's how I'd put that.

Mr. Lui Temelkovski: So we're looking at ensuring some of the basic labour laws, and we want to spread some of those laws across any agreement that we sign with any other country.

• (0930)

Mr. Mark Rowlinson: I think that's fair.

Mr. Lui Temelkovski: Is there a model of any other agreement we have signed so far that is adequate? There's always room for improvement, of course.

Mr. Nick Milanovic: Well, that's always the position of the Canadian Association of Labour Lawyers. Is there an adequate model? In short, no.

I pointed to the NAFTA itself as containing a very embryonic kind of labour right, which is an anti-replacement worker provision that would allow a country to prevent the entry of employees who are coming over to work to replace workers who are engaged in a labour dispute, whether that be a strike or a lockout. The prison labour article in GATT has actually been incorporated in NAFTA as well, so there's another provision in NAFTA—article 2101, I think it is—that deals with articles made by prison labour and allows an exception to the general rules. So there's a beginning in these agreements themselves, as opposed to in the side agreements, but frankly, that is being pursued around the globe.

The United States has a generalized preference system that has some acknowledgment of labour rights, but there isn't a substantive code to which we in labour organizations and our representatives would all point and say that's the model we need to follow. We would say to you that Canada can take the lead on this, because we have, in my view, an international reputation for promoting human rights around the world.

Mr. Lui Temelkovski: In terms of the replacement workers, I think we in the House have just recently been or even now are still discussing some replacement workers legislation, so we are not there ourselves.

Mr. Nick Milanovic: On that particular issue we are on an international level, though perhaps not on a domestic level. We'll leave it to you good folks at the House of Commons to figure that one out for us.

My friend also has something to say about this.

Mr. Mark Rowlinson: I would just make two points, quickly.

It is the position of the Canadian Association of Labour Lawyers that since—not un-coincidentally, in our view—the free trade agreement was signed in 1988 and then since the NAFTA was signed in 1993, there has been a gradual erosion of what I would call the standards of labour legislation in Canada.

We can look at all the various jurisdictions. We can look at union certification. You can look at replacement worker issues. Not so much at the federal level, which of course is where Parliament has jurisdiction, but in various provinces there has been a gradual erosion in labour legislation, so we do have work to do in this country. By international standards, though, by and large we're generally able to meet those international standards.

I want to make one other quick point. You asked about whether there was a model Canada could look to. I would suggest to you that if there is a model for this sort of transnational enforcement of labour standards, the model is probably Europe. The European Union has really, over many decades now, been developing gradually, but slowly and steadily, transnational institutions that enforce basic minimum labour standards in a very effective way. Not all standards are enforced that way, but many of them are.

The Chair: Mr. Temelkovski, your time is up.

Do you have an important short question? Go ahead.

Mr. Lui Temelkovski: It's a very short question. In terms of the transparency, you mentioned that the text has not been available. Were texts available previously, or is this an abnormality that the text is not available to you?

Mr. Mark Rowlinson: I can answer that quickly. When there were negotiations ongoing regarding the FTAA, the free trade agreement of the Americas, for example, a draft text, you may recall, was made available prior to the somewhat now notorious gathering in Quebec City, and the same process has not been followed with respect to this agreement.

The Chair: Okay, thank you.

Now we go to the Bloc for seven minutes. Monsieur Cardin, go ahead, please.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Thank you, Mr. Chairman.

Gentlemen, good morning and thank you for being here.

When our colleague Mr. Julian insisted on hearing from you, I thought it was a very good idea, first, because this brings an important dimension to any free trade agreement with the countries of North America, South America and so on, and, second, because it appeals to us because of globalization and multilateral, international agreements, the WTO and so on.

It's relatively unrealistic to think we can apply labour standards across all American countries in the short term. We see that businesses move from country to country in order to take advantage of their differences so they can make more money, operate their businesses and make them more profitable.

I'd like to go back to replacement workers. They say that Canada could be a leader or be a source of good things for all agreements. The Bloc has made a number of attempts to have the principle of eliminating replacement workers accepted, as is done in Quebec and a number of other provinces — the term “a number” may be excessive — but it's nevertheless being done. Canada is negotiating the agreements, and it can't even stand up for its own workers. That's why workers vary from province to province.

How can Canada keep pace in order to comply with minimum labour standards in international agreements?

• (0935)

Mr. Mark Rowlinson: Thank you very much for your question. I'm going to answer you in English because I'm more comfortable in that language.

[*English*]

First, you referred to the utopian desire to have labour rights enforced on a transnational basis. I would suggest to you that it may seem utopian, and I would agree with you that in the short term we're not going to see that sort of rigorous transnational enforcement of labour law—as opposed to labour rights, to some extent—in the Americas, and there are a number of reasons for that.

The primary reason, of course, as was pointed out at the last meeting, is that Canada as an economy and as a country is so different from Central American countries individually. You can't necessarily transpose a Canadian model of any kind of economic regulation onto a Central American country, and we're not suggesting that in any event. But as with Europe, where it has taken forty or fifty years to build up the kinds of institutional levels necessary in order to genuinely start talking about transnational enforcement of human rights, equity rights, and labour rights, we think that sort of slow, gradual institution-building is something all the states in the Americas should be considering.

And what you say about Canada is true. As I indicated earlier, the standards of Canadian labour law leave much to be desired in many respects. You raised, for example, the replacement worker issue. Of course, Ontario had a ban on replacement workers for a brief stretch in the early nineties, but it no longer does. Quebec remains a shining example for all Canadian labour law jurisdictions. British Columbia and Saskatchewan still have bans, but even the British Columbia ban is under threat.

When you're talking about international labour rights, those are issues that aren't insubstantial, but they're issues at the margins. Where we think Canada can really contribute is in our enforcement mechanisms and our labour rights regimes and the ability that we have to enforce our labour laws. Those things are actually pretty good by international standards, quite candidly.

In terms of that infrastructure, labour law requires two things. It requires laws on the books, something that is actually the easy part for most of the developing world. The difficult part is actually enforcing those labour laws and actually having the necessary infrastructure to enforce those laws. So that's the direction in which you have to go, in our view.

• (0940)

Mr. Nick Milanovic: I just want to add something briefly with respect to the utopian comment, because that stood out for me as well.

There was a time when property rights were a utopian idea, and they have obviously since developed in the western world a much greater importance and enforceability. When we take a look at the commercial rights that are now part of the NAFTA, even in the early 1960s or the early 1970s if we were to suggest that individual corporations had the right to sue governments independent of their own government's decision, that was viewed as being an idea very much at the margins.

But with the development of trade policy in the United States, in its provisions in some agreements with the Americans, and now in this agreement with Canada and Mexico, those rights have taken on a whole new meaning and are now being discovered by international trade lawyers in the three countries and vigorously pursued in some cases.

So given what was once a utopian idea in the 1960s and 1970s of commercial entities having these rights to enforce within international trade agreements, we see 30 or 40 years later a much more robust regime for the enforcement of property rights. We are at the point of beginning to enforce fundamental rights, and those rights, such as labour rights, have already attained some acknowledgement in trade agreements in the parallel agreements that we have criticized here today. We suggest to you that by inserting them in an agreement like this, we then begin to develop the institutional capacity to enforce labour rights internationally in accordance with these agreements.

The Chair: *Merci.*

Monsieur Cardin, a very short question.

[*Translation*]

Mr. Serge Cardin: I simply wanted to go back to what I said earlier about what might be unrealistic in the very short term. However, I think there is an obligation to ensure that there are minimum employment standards in the countries that deal with each other. I think that's achievable, and that will probably be done sooner than in Europe, that is in 40 or 50 years. In the countries with which we do business, people are informed about, among other things, globalization.

Do you have any organizations or institutions, or do you establish comparative minimum employment standards, for example? The minimum wage, whether it's in Quebec, elsewhere in the country or in various American states, may vary quite a bit. The minimum wage in Quebec already corresponds to an existing poverty level.

In short, how should we proceed, at the international, North American or American level, to evaluate and compare minimum standards? Who can do it?

[*English*]

The Chair: It'll have to be a very short answer, gentlemen, if you want to respond to that.

Mr. Mark Rowlinson: The notion of a living wage internationally, again, is a fairly well-established international norm. The International Labour Organization does work on these issues and indeed consults regularly with states about appropriate levels of minimum wage, the issue you raised. Obviously a minimum wage is going to depend upon the particular economy you're speaking about, but it's absolutely possible to both require countries to have a minimum wage and require that the minimum wage be enforced.

The Chair: Thank you.

We'll go to the government side now. Mr. Cannan will start off for seven minutes.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair. I'm going to share my time with the honourable member, Mr. Menzies.

Thank you, gentlemen, for your comments this morning, it's been very interesting. I think it's important that we do hear from as many people as we can from our country to have an agreement that represents fairly both the labour end and the business side of the agreement.

I wanted to comment a little about your request to have the draft agreements released. I've had the experience...and I think everybody in this room respects labour and the human rights law. We all agree that's very important, as is also the fine balance between the men and women who risk their capital, many of whom put their lives on the line to provide that opportunity of employment.

During the negotiations we've had with the CA4 agreement to date, our government has agreed to release the draft if there's consensus amongst the five parties involved. Being labour lawyers, you've been in negotiations with labour agreements, I would assume, in the past with different companies. I've been on both sides. I've been in unions and in management with unionized companies, and when you're negotiating a deal there has to be consensus, an agreement, amongst all the parties before that draft information can be released. To date the CA4 groups have indicated that they think it's premature to release this information.

My question to you is, from your experience in negotiating, don't you think it would be inappropriate for one country to release the draft unilaterally, since among all parties there's not been a consensus achieved to date?

• (0945)

Mr. Nick Milanovic: I'll begin briefly with the example of having consensus to release the draft text, which has been achieved today.

Canada led vigorously at the effort in Quebec City among the various countries of North and South America—34 countries—and worked very hard to convince its partners in this arrangement that there had to be some public accountability and transparency, and lobbied very hard and was successful at having the draft text released. We thank you all for your participation in that. It is important in understanding what's being negotiated at the table.

You also asked about our personal experience in labour negotiations with the employer. It would be a fair comment to say that unless there is consensus, unions and employers don't necessarily release draft collective agreements in the midst of negotiations. But one thing trade unions certainly do is have all the proposals vetted by their members, so the initial position of the trade union going into those negotiations is not only known by all the members, but also known by the employer, because it is certainly tabled before them.

In this circumstance there is no comparison, because we don't know what the Government of Canada's initial position at the table was. If you are going to operate on a model of consensus and you're not able to achieve it after trying very hard, then I would say you should at least release what the Government of Canada's position has been with respect to the various issues under negotiation.

Mr. Mark Rowlinson: I have one other point, to carry on with the analogy of collective bargaining. In most Canadian jurisdictions, any collective agreement that's reached has to be bindingly ratified by all the members once it has been negotiated, and we would certainly encourage that model with respect to this trade agreement.

Mr. Ron Cannan: Mr. Chairman, to supplement that, I totally agree, and that's one of the reasons we have a committee like this, to provide the input to the committee, and then all 308 parliamentarians will have the opportunity to discuss and debate the agreement.

Following up on your comments that when there is consensus among the parties...they'll release that information at that time. It was the same thing in the negotiations I've been in. The company I worked for was on strike, and I was a member of the union. We didn't get a copy of the agreement until it was final and we had to sign off on it. It will be before the House before that opportunity presents itself this time and there will be a lot of opportunity for further dialogue.

I have just one other comment before I hand it over to Mr. Menzies.

You mentioned the independent body that looked at the arbitration process—dependent and efficient arbitration bodies. If one country imposes legislation on another country, how do you see that evolving into a model so there would be fair representation from everybody around the table to try to enforce unilateral laws?

Mr. Nick Milanovic: That wouldn't exactly be the model. We wouldn't be enforcing our laws against the Government of Guatemala. We would all be agreeing to a standard that every country would meet, and when there was a violation of that standard....

Currently under the NAFTA model, the chapter 11 model, the independent organization, the company involved, has a right to enforce the rights that all the countries agreed to in the particular context of its case or its dispute. When that happens, they choose from a number of international conventions regulating arbitration processes that have already been agreed to, and that initiates the process of getting parties to file their statements of claim, having an exchange of documentation, and having a legal hearing, which then is enforced by a panel of arbitrators. Sometimes the arbitrators are selected one from each country, and then a third is selected by the parties themselves, or there's another selection process. Then that panel goes forward and enforces or hears the case, hears the evidence, decides what the facts are, and applies them to the context of what was going on, the labour rights that have been agreed to, and then it issues a decision, whether the complaint is upheld or not. And if there is a finding that there's been a violation, then that panel has wide ability to enforce its finding and to provide a wide list of remedies.

That's the model, in a nutshell.

• (0950)

The Chair: Go ahead, Mr. Menzies. You have about two minutes.

Mr. Ted Menzies (Macleod, CPC): Thank you, Mr. Chair. I knew I was going to be running out of time, but my short-winded colleague has left me a little bit of time.

I'm troubled by some of the comments, such as “downward harmonization” and “gradual erosion of labour standards”. I tend to disagree with those sorts of comments. I think we live in a wonderful country where our Canadian employers treat their employees quite well. I find those comments a bit insulting. It's insulting to Canadian employers, to people who drive this country, who employ people.

The last time I looked, we were hounding our immigration minister to let more people into this country. People want to come here to work because labour standards are high. People want to work in this country. That's what makes this such a great country. It

troubles me when I hear these sorts of comments, that free trade has degraded our people because they're not treated as well.

I just wanted to get those comments out there.

Concerning negotiations in public, you're suggesting that these negotiations should be done in the House of Commons. I would like to get your comments, if I could.

Most labour negotiations are made behind closed doors before, as Mr. Cannon mentioned, the representatives of either side see the actual agreement. Are labour negotiations done in public or behind closed doors?

Mr. Mark Rowlinson: I have two comments on the labour negotiations issue.

First, labour negotiations take place, I'm proud to say, in a fundamentally democratic environment. That is to say, as I said earlier, the proposals are prepared by the membership, as a general rule, they are negotiated by a committee, and then they are brought back to the membership for ratification. I think the analogy between a broad inter-state trade agreement and collective bargaining is to some extent obviously not an ideal one. When governments—sovereign, democratically elected governments—engage in important treaty negotiations, the standard of broad-scale consultation should probably, it would seem to me, exceed that of a private negotiation between a union and an employer.

I want to make one other brief comment in respect of Canadian employers. You and I may or may not agree about the normative merits of Canadian employers, but I can tell you this. It's not so much that Canadian employers are bad or good, but I can tell you that I have on numerous occasions sat across the table from Canadian employers who came to their workers and said, “You need to take concessions”, or “You need to give up your defined benefit pension plan”, or “You need to take concessions on benefits”, or “You need to take wage concessions.” Why? “Because we have other operations”—in Mexico or China—“where wage rates are a quarter to a fifth of the wage rates we are paying you.”

That doesn't necessarily make an employer a bad or a good person. It's not a question of whether employers are good or bad; it's a question of the fact that employers are looking—and this is what employers do—to minimize their wage costs and make as much money as they can. They're charged with the responsibility to do that, and if they can do it by moving operations.... We have a serious

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• (0955)

The Chair: Mr. Rowlinson, I'm going to have to cut you off, because we're over time, but I didn't hear an answer to Mr. Menzies' question, which was whether these negotiations take place in private or in public. If you could just answer that, then we'll go over to Mr. Julian, so that he has his time.

Mr. Mark Rowlinson: Very quickly, collective bargaining negotiations are a private process. As a general proposition, they normally take place in private, although the parties can agree to release proposals at any time. It depends on each negotiation.

The Chair: If all parties agree to it.

Mr. Mark Rowlinson: Yes, if all parties agree to it.

The Chair: Thank you.

Mr. Julian, you have seven minutes.

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

Thank you very much for your presentation; it was very thorough and refreshing.

I'll touch on the point Mr. Rowlinson made earlier, which is the issue of the race to the bottom, because this is a critical component when we talk about the trade regime.

Since 1989—we all know this because Statistics Canada tells us—80% of Canadian families earn less now than then. So obviously there is something fundamentally wrong with the picture—that the trade regimes increase exports, but generally for the Canadian public and Canadian working families, they're worse off now than they were in the 1980s. That's a fundamental problem. So this race to the bottom is a fact, it's something we have to deal with as a trade committee, and we appreciate your bringing it forward.

I have three questions stemming from that. The first is the issue of what are the enforcement measures that have taken place or been put into place in other parts of the world? You mentioned that Europe's enforcement measures have been put into practice over a series of decades. How would they apply to Canada? How would they apply to the agreements we might care to put in place?

Secondly, you referred very specifically to some of the most egregious impacts of fundamental labour rights, such as the abolition of child labour. But how do we move to actually raise labour standards? How can we do that within trade agreements, so that in a sense the populations are better off in other countries—for example, in Central American countries?

And thirdly, in our last committee we had a hearing on the issue of the CA4 reference to Glamis Gold and that tragedy in Guatemala. In that example, or in any other specific examples, how would a provision for enforceable labour rights make a difference in communities impacted by the actions of Canadian companies?

Mr. Mark Rowlinson: Quickly with respect to your question about the race to the bottom and the European model, one thing that's interesting and terrific in some respects about the EU model is that they have managed to avoid the problem of capital flight by gradually developing these sorts of intranational labour rights enforcement mechanisms. This is to say that Europe took as a starting premise that they were not going to create an economic union where certain parts of Europe benefit by cutting labour standards, to the detriment of other parts of Europe. So empirically you don't have capital flight, say, from the wealthier Sweden to Portugal, or even to the former East Bloc countries, which are now part of Europe. Before the East Bloc countries could become part of the EU, they were required to essentially rewrite their labour law and bring all of their standards up to EU standards.

Clearly the distinctions between the Canadian and Central American economies are greater than the distinctions you find in Europe, so it poses an additional challenge. But that's the model you want as your starting premise, so that as you say, we're not going to have a sort of race to the bottom. That's not the basis upon which we're going to engage in international trade.

Nick.

Mr. Nick Milanovic: Let me take your last two questions together, Mr. Julian.

As Mr. Rowlinson said earlier regarding the issue of improving labour standards, the problem hasn't really been the drafting of the legislation that countries in Central America have. There are a number of very good provisions in Central America and Mexico, and in South America, for that matter. It's been a matter of enforcement.

When you provide a mechanism, such as we're suggesting today, that would allow a trade union or an affected party to bring a claim forward, saying that these rights, which you countries have taken together—for instance, forced labour—have been violated in a particular circumstance, if the violation is in fact found, you'll see an increase in the labour standards of those particular workers in that circumstance. This will also exert pressure on similar employers in the same industry to comply with the higher standard or face sanctions from an arbitration panel, which would include damages, for instance. That order of damages should offset the financial incentive to engage in a systemic violation of the very core rights we're talking about.

I would be surprised, indeed ashamed, if people on this committee and in the House of Commons could not agree amongst themselves that in negotiating agreements with the CA4, forced labour is something that we will not tolerate in our trade relationships with these countries and hopefully with any other country. Whether you believe in a free market approach to society or a regulated market, everybody can agree that the free hand of the market doesn't work when you force people into contractual relationships to work. We can agree from a moral standpoint that it is objectionable. So by including the rights of trade unions to enforce these things, independent of states that might be reluctant to do so, you exert an upward pressure on labour rights.

• (1000)

Mr. Peter Julian: The broader issue, of course, when it comes to the trade union movement, as we've seen in many countries in Central America and South America, is that in those times when they have not been living under democratic regimes, trade unionists have been subject to death threats and death squads.

Coming back to the issue of enforceable standards, how then, in a trade agreement, would we both enforce the standards and raise the standards that exist? In the case of a deterioration in the democratic structures of a particular country, how would we then react within the framework of the trade agreement to ensure that basic human rights were respected, that labour rights were respected, and that the right to free collective bargaining was respected?

The Chair: Gentlemen, could we have a short answer, please? Your time is very short.

Mr. Mark Rowlinson: I'll give a very short answer.

Let me give you two concrete examples. I was involved in a complaint filed in Canada regarding the violent—that is, baseball bats and weapons—repression attack on a union organizing campaign in Mexico. Those kinds of situations, or situations that occur all the time—in Colombia, most notably—where trade unionists are murdered when they try to form a union, those sorts of basic, fundamental attacks on freedom of association are exactly the kinds of fundamental abuses that we think this kind of trade regime ought to be able to attack.

If Canada is going to take its human rights obligations seriously, we ought not to be trading with countries where workers who want to associate freely get murdered or beaten up. It's that simple. Those workers should be able to file complaints in Canada about that activity. And then the governments that are failing to protect these workers ought to be held to account for those failures.

The Chair: Thank you very much, gentlemen. Our time is up for this first part of the meeting. Thank you both very much for coming.

We'll have Mr. Julian.

Mr. Peter Julian: I'd like to thank the witnesses for coming forward.

Mr. Chair, I do have two motions that I've put forward. What I'd like to request of you is that we have time set aside at our Thursday meeting to discuss those motions.

The Chair: On Thursday, as you know, we have five groups coming in for a very important discussion on the future business of the committee on trade policy. It would be awkward fitting it in on Thursday, Mr. Julian.

As you know, we're going to have an informal session in the last hour of that meeting. It'll be an extended meeting. I'm not sure when we would deal with it on Thursday. It would be quite awkward. We can discuss that, I guess, privately. It's up to you, of course. The motions have been given. You've given the appropriate notice and you can bring them up whenever you want. But we could maybe discuss that privately.

This meeting will suspend now for a couple of minutes as we change witnesses.

Again, thank you very much, gentlemen.

- _____ (Pause) _____
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- (1010)

The Chair: We will reconvene the meeting. We'll start with the second part of our meeting, which, by the way, is an extended meeting. It will go until noon if necessary.

The purpose of the meeting today, and the meeting on Thursday, is to give the committee background information so we can focus our longer-term study on Canadian competitiveness and trade. Today, we have witnesses from the Department of Foreign Affairs and International Trade. On Thursday, we will have individuals from business organizations—five so far have agreed to come, and there may be one more. We'll just see how that works out.

From the Department of Foreign Affairs and International Trade, we have Terry Collins-Williams, multilateral trade policy; David Plunkett, bilateral and regional trade policy; and Paul Robertson, North America free trade policy.

I understand you're making a presentation together. Is that right?

Mr. Terry Collins-Williams (Director General, Multilateral Trade Policy, Department of Foreign Affairs and International Trade (International Trade)): Yes, we will make a joint presentation of about 10 minutes. It might run a little longer, with your indulgence.

The Chair: That's fine. We want to hear what you have to say, gentlemen. I'm sure your comments will help us to focus on our longer-term study.

[*Translation*]

Mr. Terry Collins-Williams: Mr. Chairman, we thank you for inviting us to this meeting.

We'll try to give you a brief overview of international trade policy, then answer your questions.

[*English*]

Let me begin by referring to two base documents that set out Canada's trade policy. The first is a speech Minister Emerson delivered on International Trade Day, June 8, 2006, entitled, "Shaping a Global Commerce Agenda for Canada". By way of background, we have included with the speech "The State of Trade Report" and "Canada's International Market Access Priorities".

Our second base document is the international trade component of our department's report on planning and priorities, tabled in the House on September 26, 2006.

I need not explain to this committee the importance of world trade to Canada's economic performance. You have all of the figures and data before you. You've had witnesses from our department and others go over that previously. So let me talk about the fundamentals of Canadian trade policy.

Any examination of Canadian trade policy must start with the pre-eminent importance of our trade relationship with the United States. My colleague Paul Robertson will pursue this later. Of course, we cannot ignore the need to expand trade opportunities to other countries and regions of the world. Shortly, David Plunkett will elaborate on initiatives for trade expansion that we now have under way.

I'd like to set out three essential elements for the formulation and execution of our trade policy.

First, we need to be aggressive in opening and maintaining market access opportunities for Canadian business. That is why we have, and will continue to press for, an ambitious outcome to the presently suspended WTO negotiations.

Second, we should be innovative and flexible in designing approaches, bearing in mind the rapidly changing dynamics acting on international trade. From the government's perspective, this would mean designing and negotiating instruments that address issues going beyond the traditional barriers of trade at the border. These instruments should provide the private sector with secure and transparent means to advance their interests in areas such as investment, science and technology, civil aviation, and others.

Third, we must always keep in mind that trade policy has to be rooted in solid domestic economic fundamentals, including sound fiscal and regulatory regimes and supportive infrastructure policies such as the recently announced Asia-Pacific gateway and corridor Initiative.

I'll now ask Paul Robertson to talk about the North American dimension of our trade policy.

• (1015)

Mr. Paul Robertson (Director General, North America Trade Policy, Department of International Trade): Thank you very much, Terry.

Perhaps I'll start by situating the pre-eminence of the Canada-U.S. trade relationship. We all know that Canada is one of the most trade-dependent countries in the industrial world and that the Canada-U.S. commercial relationship is the largest in the world and is the engine for Canada's economic growth and prosperity; \$1.9 billion worth of goods, 37,000 trucks, and 300,000 people cross the border daily.

Canadian exports to the United States are equivalent to approximately 30% of our GDP. It should also be known that among American states, 38 states count Canada as their number one export market. Mexico is Canada's fifth biggest export market, while Canada is Mexico's second most important market. The vast majority of this trade flows without dispute.

However, the benefits of North American trade to Canadian prosperity must be considered on two levels.

The first is that global North American competitiveness is critical to Canadian success and prosperity. North American economies can work together collaboratively to great advantage to build North American supply chains that are extremely efficient. We already have cross-border clusters and we have cross-border supply chains, which create tremendous efficiency for our industries and allow us to take on some of the most competitive economies in the world from a North American platform.

The second level of prosperity in North American trade is that Canada needs to maintain and enhance its capacity in North America. As you know, there's increasing competition in the United States' market from other countries, including China and India, for example.

There are many tools at our disposal to advance a broad, forward-looking agenda. NAFTA is the cornerstone of our trilateral trade and investment relationship. I should note that Minister Emerson in the spring met his NAFTA counterparts and led discussion, for the first time since the agreement was put in place, on how the NAFTA partners could begin to work together on strengthening North American competitiveness. NAFTA ministers noted that while

integrated North American supply chains are already well advanced in a number of areas, it was clear that unnecessary barriers remain.

There are many barriers that Canadian governments and national governments among the NAFTA partners can do something to address. For example, there was agreement at the ministerial meeting to launch sectoral initiatives that would identify government-related barriers that were hindering a seamless flow of goods and services in specific sectors. There was also agreement, for example, on the desirability for the NAFTA partners to better align our bilateral trade initiatives within the NAFTA platform.

A second tool at our disposal that's being used, of course, is the security and prosperity partnership. This is a broad initiative launched by leaders in March 2005 that aims to build upon existing cooperation to further enhance the well-being of our citizens. In the prosperity agenda led by Industry Canada, for example, work is under way to further advance and promote regulatory cooperation, sectoral collaboration, and trade facilitation.

I would also flag a number of other elements briefly. The first is trade promotion strategies for U.S. and Mexican markets. These crystallize on-the-ground delivery to enhance opportunities for Canadian business by delivering a common strategy to promote trade, investment, technology commercialization, and research cooperation.

There are also many targeted bilateral initiatives among our three countries; for example, the Canada-U.S. Consultative Committee on Agriculture facilitates discussion and cooperation on bilateral agricultural issues, including market access and sanitary and phytosanitary issues.

• (1020)

Finally, one can't speak about the North American market these days without flagging as well the need to ensure that North American border crossings, ports, and airways support efficient commerce while improving protection from terrorism and crime. These are all elements of a forward-looking agenda to increase competitiveness in the North American environment.

Perhaps at this point, given the timeframes we're allocated, I would ask David to continue with his presentation.

The Chair: Mr. Plunkett, go ahead.

[*Translation*]

Mr. David Plunkett (Director General, Bilateral and Regional Trade Policy, Department of Foreign Affairs and International Trade (International Trade)): Thank you, Mr. Chairman.

[*English*]

As my colleague has already noted, the department is committed to strengthening secure access to global markets through negotiation and implementation of commercial agreements, such as free trade agreements; foreign investment protection and promotion agreements, which are referred to a FIPAs; bilateral air negotiations; and other tools.

In this regard, the department has indicated that we would step up efforts to conclude free trade negotiations with South Korea, and we will pursue negotiations with other key markets in Asia and elsewhere.

We've also indicated that we will pursue foreign investment protection and promotion agreements with China, India, and Peru. We have completed air service agreements with these first two countries.

Canada needs to keep up with the rapid expansion of bilateral and regional trade agreements that we see many of our partners pursuing and concluding. Our competitors are seeking and obtaining preferential access to dynamic markets around the world, and they are putting Canadian firms at a competitive disadvantage.

It is important to realize that we have not concluded a single FTA in the past five years. Our relative performance in negotiating FTAs has a material impact on the competitiveness of our firms in foreign markets. Canadian firms are telling us they are losing business due to the free trade agreements of other countries. They are urging the government to level the playing field.

This is why there is a great emphasis being paid to the bilateral and regional agenda, in addition to Doha and the NAFTA activities, as referred to by my colleagues.

I want to emphasize that we are not negotiating just for the sake of negotiating. Business is telling us they are losing business. As Minister Emerson has said on a number of occasions, Canada has not been keeping pace on this front. He has called for Canada to be more aggressive and targeted about our trade arrangements and creating opportunities outside North America.

Again, just to be clear, trade arrangements are more than just free trade agreements. Rather, they include investment protection agreements, air agreements, tax treaties, and other means to help Canadian business and get them involved in global supply chains, such as regulatory cooperation, and science and technology. The list is fairly broad.

[*Translation*]

Committee members know perfectly well how important trade is for the Canadian economy. For example, nearly one in five jobs in Canada depends on trade.

[*English*]

I believe that when my colleagues came before the committee in early May, they outlined some of the countries we have been working with in the past and today as part of an aggressive effort to secure access to global markets and conclude trade arrangements. In the interests of time, I will spare you a complete listing of these activities again.

Instead, by way of illustration, let me say that in the six weeks that I have spent taking up my position, since after Labour Day, we have been pursuing free trade agreements with Korea; the EFTA countries; the Central Americas, the so-called CA4; and Singapore. Exploratory talks have started with countries in the western hemisphere, such as the Andean community.

Generally speaking, my team is being stretched to the limit just to keep up with the breadth of our activities and the current pace we are keeping. Each negotiation presents its own challenges. The various talks are unfolding at their individual pace, some being more advanced than others. These exercises are grounded in the realities of our domestic sensitivities as well as those of our negotiating partners.

As you can tell from this illustrative list, our activities are wide ranging. These activities around the globe reflect the interest that our stakeholders have expressed for these various markets and regions of the world. We believe this will be an important contribution to strengthening Canada's competitiveness in international commerce. While our commercial agenda is pursued for economic reasons, it also has positive ramifications for Canada's international relations overall, be it development or foreign policy.

We are working to create opportunities outside North America, to take advantage of shifting and growing economic power in these parts of the world. Completing these initiatives will enhance our credibility as a negotiating partner and maximize commercial benefits for Canadians.

The negotiating agenda is delivered by a highly skilled interdepartmental team that draws on the strategic insights generated by the Government of Canada's extensive domestic and international network.

Our posts abroad advance these ongoing initiatives and help us to identify opportunities for Canada. Our posts also promote and represent Canada's international economic and commercial interests abroad, again in consultation with stakeholders.

•(1025)

[*Translation*]

Mr. Chairman, in closing, I would like to emphasize how important it is for Canadians to continue an ambitious bilateral trade program, which is an important program for the competitiveness of the Canadian economy.

[*English*]

The Chair: My thanks to all of you.

Mr. Plunkett, we will hear from at least five of the key organizations representing these businesses that are calling for these negotiations to move forward. We look forward to hearing from them on what they see as the priorities in terms of Canadian trade policy.

Just before we get to questioning, I do want to say that Mr. Julian has given me notice that he would like to debate the motions at the end of the meeting today. He has recognized that it would be quite difficult to do so on Thursday, I believe. Just so you all are aware of it, I'll actually leave twenty minutes aside for that. We will start that at 11:40.

We'll now start with the questioning from the official opposition Liberals, and Monsieur LeBlanc.

[*Translation*]

Hon. Dominic LeBlanc (Beauséjour, Lib.): Thank you, Mr. Chairman.

Thank you for your presentations, gentlemen.

You've provided a brief overview of a number of very important issues for the Canadian economy which I very much appreciated. This is an opportunity for us to focus on other issues. It seems to me that, for a number of months now, we've tended to focus on only one important issue in the United States. Now we're trying to look at other equally important issues for the economy.

Mr. Collins-Williams admitted that we had not signed a bilateral agreement in five years. I believe that the United States has passed us by a broad margin. In light of a discussion I had with someone a few months ago, it's my impression that the United States has signed bilateral agreements with a number of countries in recent years.

Am I correct?

[English]

Mr. David Plunkett: Yes, you are. My colleagues keep telling me that in this time period of which we are speaking, the United States has signed agreements with 15 countries.

Hon. Dominic LeBlanc: Is that including some very major markets, including some big Asian nations? It's unfair to ask you for a precise list of the 15, but do you know off the top of your head what countries?

Mr. David Plunkett: In addition to the NAFTA in 1994 obviously, they have signed with Australia in 2005, Chile in 2004, the Central American Dominican Republic in 2005, and Singapore in 2004. They signed one with Oman in 2006, yet it's not yet enforced. They signed with Morocco in 2004. So there is a good cross-section across the world.

Hon. Dominic LeBlanc: Mr. Plunkett, you referred to different priority areas where you and your colleagues are focusing to advance discussions in terms of various bilateral agreements. We're led to believe that Korea is obviously one on which we're closer than others, or more work has been done in terms of the Korea agreement. Could you update us on where we are, in your view, in terms of a timeframe for an agreement with Korea?

As the chair said, we're going to have a chance to see some business groups later this week. From your information, which groups are pushing you specifically with respect to an agreement with Korea? In other words, which ones are encouraging the government to move quickly, and what sectors in the economy have expressed hesitation? I ask that because for every group advocating an agreement, we'll find some group that worries about domestic fallout.

• (1030)

Mr. David Plunkett: With respect to the Korea negotiations, my understanding is that the negotiations have been very productive to date. Now, I'm going to be a bit standoffish here because it's actually my boss who's our chief negotiator, but I have brought with me a colleague who's been more closely aligned with this, so if we need to drill down any deeper I'll ask him to speak here.

We held a seventh round of negotiations just a few days ago in Ottawa, and the eighth round will take place the week of November 20 in Seoul. The areas we've been working on are to advance market access liberalization for trading goods, which gets you into agricultural, industrial...fish and seafood products, and these are

obviously areas that would have expressed some interest. In the pre-launch period of any negotiation, we canvass business, or business actually comes to us as well, to let us know that they would be interested, and so it's these sorts of industries, as well as natural resources, chemicals, and environmental goods.

There is quite a wide range of interests here that have expressed some real interest in the Korean market, in part because they have some high tariffs in areas of export interest to us. I think the average overall tariff is 12.8% and the average agricultural tariff is 52%. So there is some real interest in trying to get these tariffs down, because people see some market opportunities here.

Obviously the media have been full of concerns recently that have been expressed by the auto industry. Some concerns have also been expressed in the past from the shipbuilding industry. Like every negotiation with every country, we do take these concerns into account. We consult closely with industries to make sure we understand their concerns, and as we proceed, we will take these concerns into account.

Hon. Dominic LeBlanc: Thank you for that update with respect to Korea.

What other agreements are you close to? What other bilateral agreements are you pursuing and how far advanced are they, just in a very general way?

Mr. David Plunkett: It's very difficult to be very specific about a date for completion, because obviously this is a dance that requires two partners, and even though we may see something as an insignificant issue that shouldn't take much time, the other side may well feel....

In the six weeks I have been in this job, I have been to Geneva to try to bring some progress to the EFTA negotiations. Now, EFTA is Switzerland, Norway, Liechtenstein, and Iceland. I was in Singapore last week, trying to bring some life into those negotiations. The EFTA negotiations have been stalled since 2000, and the Singapore negotiations have been stalled since 2003, so we are trying to see whether we can find a way to work our way through some of the issues that have caused the impasses in the past.

Hon. Dominic LeBlanc: What are the issues with respect to EFTA that have caused us the blocks?

Mr. David Plunkett: Well, there's a range of issues. Ships are an issue that has been out there. From an export perspective, we are looking for more interest in areas of interest for our exporters, be it agriculture...and so we are playing around. These agreements all include a number of broad issues, some of them basically institutional questions where, frankly, it's the lawyers who worry more about these things than the average businessman, but it's part and parcel of a large package that has to be put together.

I'm an optimist by nature, so I would hope that we could conclude these agreements in the near future. But as I said, it's a negotiating process, and this has to be concluded to the mutual benefit of both sides. So we both have to, at the end of the day, see enough on the table that is beneficial to both sides to conclude.

• (1035)

Hon. Dominic LeBlanc: Thank you.

The Chair: Thank you, Mr. LeBlanc.

We go now to the Bloc for seven minutes. Mr. André is next.

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Good morning.

I want to tell you about our major concerns.

First, we previously heard from the members of the Canadian Association of Labour Lawyers. They spoke to us about concerns regarding workers' rights in certain countries where bilateral agreements were reached, and even in the context of the WTO, on a broader scale.

I believe this is a relatively important issue. I think that, if capital moves to other countries just as certain businesses relocate, if people's working conditions and quality of life are lower, corporate profits increase temporarily, but that will have an impact on our quality of life and working conditions.

What are your concerns about the signing of these bilateral agreements? Do you actually have any concerns? Do you focus on that, or is it something very minor in your negotiations as a whole?

Second, as regards these bilateral agreements, some industrial sectors are undermined. That's the case of an agreement with Korea, which we think may affect our automotive industry, as well as of other WTO agreements. For example, there's the problem of the textile industry. Currently there's talk about the furniture industry and the impact that these free trade agreements are having on eventual business closures here at home.

However, in the furniture industry, for example, we realize that there are also export opportunities, whether it be to Taiwan, China or elsewhere. However, I realize that our businesses are concerned as to whether our products will come back. There are also costs, which are very high when we want to export our products, whether it be to China or elsewhere.

In the circumstances, are there any existing programs that could be improved in order to assist our businesses? Could larger investments be made in the sectors whose viability is threatened? Where there are export opportunities, could we put in place programs that would improve the ability of our industries to export to those countries and enhance the visibility of our products? These programs would support our industries in future efforts in that direction.

Mr. Terry Collins-Williams: Thank you for your question.

I'm going to answer in English.

[*English*]

On the first question about the issue of labour rights and labour competitiveness as it relates to trade agreements, yes, certainly labour cost factors are an element of global competitiveness and

need to be taken into account in our trade and broader economic strategy, but whether labour rights can and should be negotiated directly into trade agreements is another question that in large part depends on the willingness of our trading partners to engage in such negotiations.

I can tell you from the multilateral perspective in the WTO that the vast majority of our trading partners have refused to negotiate labour rights, or even to discuss the issue of labour rights in the WTO. I don't think that's particularly surprising, because we do have a system of international economic organizations, each with a certain specialization, and the WTO specialization is trade.

Yes, many other trade-related factors go into the equation, but not all of them will be dealt with in one institution or in one set of agreements. We do have the International Labour Organization, of which Canada is a very active member and to which the issue of the application of labour standards is more directly relevant, so I think we have to take that into account.

I don't know if David wants to comment on the application of labour standards to bilateral agreements.

• (1040)

Mr. David Plunkett: I would just note that in the context of the various agreements that I have said are under way, we are seeking to negotiate labour cooperation side agreements with the partners. Now, as Terry said, this is sometimes easier said than done, but certainly the effort is to be made in this area.

So negotiations are continuing, but there is an effort under way to address this very issue.

[*Translation*]

Mr. Guy André: What is your answer to my second question, concerning programs?

[*English*]

Mr. Terry Collins-Williams: I'm very encouraged by your second question, that we can take the perspective that even for our most import-sensitive industries—the industries that face the largest challenges in the global marketplace—they themselves see that they have a place in international trade, that they may be able to create niche markets internationally. And we should assist them to do so; the department and the government do have programs to do so.

We're trade policy experts, not trade promotion, so I would refer you to the trade promotion experts of Foreign Affairs and International Trade and the associated agencies, such as the Export Development Corporation. I would caution, though, that there are international trade rules, particularly the WTO subsidy countervail agreement, that would prohibit us from having programs that are contingent on the export of Canadian goods.

So we need to be a little careful in how we fashion these programs, but certainly programs that are made generally available to Canadian industry and Canadian workers are workable. We do have many such programs, and we are in the business of encouraging—

[Translation]

Mr. Guy André: Are these programs sufficient?

You also spoke about the fears that these subsidies would be disguised in an international trade context. Are you afraid of that?

Mr. Terry Collins-Williams: Yes

Mr. Guy André: I talk to people in businesses who tell me that it's not always clear. You know, there are fears, and there is support for an industry that's already in jeopardy.

[English]

Mr. Terry Collins-Williams: I'm not an expert on trade promotion—I apologize—but certainly the department has such experts.

I would say that I am aware that one of our challenges is to bring small and medium-sized enterprises to export readiness and to the confidence to engage in export markets. There are specific programs designed to do that. I can't give you the details on them, but other officials certainly could.

[Translation]

The Chair: Thank you, Mr. André.

[English]

Ms. Guergis, seven minutes.

Ms. Helena Guergis (Simcoe—Grey, CPC): Thank you, Mr. Chair.

Thanks very much for being here and for your presentation; I appreciate it.

I had an opportunity to read Minister Emerson's speech. He has laid out a very ambitious agenda for Canadian international trade policy, and I commend him for this. But even he recognized in his speech, and talked about, what we need to do to thrive and prosper down the road. He talked very much about a global commerce agenda where Canada is very aggressive in trying to find our place in the global marketplace and build Canadian competitiveness. As I said, I do commend him for this vision, but he also recognized that Canada in the past really hasn't done enough.

We talked a little bit about agreements—one, I guess, in five and a half years—but it's my understanding that it's been maybe two since NAFTA. Can you confirm that for me?

As well, is it possible for you to give us any indication of why Canada hasn't been keeping pace? Do you have some solid reasons? I'm not looking just for the political rhetoric of the previous government, I'm looking for some real answers as to why we haven't been ambitious on this agenda. And what are we doing to improve this?

China and India have to be factored into any global trade agenda, of course, with over one billion people and their economies growing so rapidly. I hear in my riding, much as my Bloc colleague does, from many industries that have great concern about job losses and such because of China and India. What specific action is Canada taking in order to compete better with the huge Chinese and Indian economies?

Canada, of course, is currently enjoying a commodities boom. As Asian countries' demand for our natural resources increases, should we be concerned? Are we relying too heavily on the boom in commodity exports?

I have a couple more questions, but I will stop there right now.

• (1045)

The Chair: Gentlemen?

Mr. David Plunkett: I'm thankful that my staff has given me a list of all these agreements, because it's proven to be very helpful.

In addition to the NAFTA, which we signed with the U.S. and Mexico and which came into effect in 1994, we have subsequently concluded agreements with Israel and the Palestine Authority in 1997, Chile in 1997, and Costa Rica in 2002.

Over that time, as I said, there have been some other activities on the free trade front. For example, I mentioned the EFTA and the Singapore talks, which have been stalled or suspended—I'm not quite sure what the proper phrase is—at this stage.

There can be a variety of reasons for that. As I said earlier, these issues that we are pushing forward may be problematic for our trading partners. Every country has its own sensitivities in trade and investment issues. It's difficult to point to one particular item to say why a particular issue may not be advancing. You almost have to go through item by item, agreement by agreement, to see where the potential problem is in the various agreements.

The net effect is that we just have not concluded an agreement since the Costa Rica one in 2002.

Mr. Terry Collins-Williams: On your question about the competitiveness of China and India and other Asian economies and how we meet that challenge, I would go back to my introductory remarks and say the first thing we need to do is have sound domestic economic fundamentals and make sure that our businesses are operating in the healthiest economic environment possible.

That, of course, involves a whole range of domestic economic policies—fiscal, regulatory, labour market, infrastructure—and I know that the government has programs in all of those areas, well outside of my domain, so I don't need to go into them. That's where we start.

Within the international trade regime, I believe the best thing we can do is bring these countries, and China particularly, which until very recently had more or less been outside the international regime, into the regime. They are now a member of the WTO; they now have to respect all of the WTO's obligations as well as receive its benefits. They are engaging in international commerce. We clearly see that; they've become our second largest trading partner very quickly. They've become the third largest trader in the world very quickly, having surpassed Canada and Japan since they joined the WTO less than five years ago. They are a very dynamic economy.

What we don't want to do is shut ourselves off from the opportunity to trade with them. What we do want to do is trade with them on reasonable terms, and as I say, the best way to do that is to bring them into the international system and make sure they respect their obligations. In those instances, which do arise, where a Canadian industry is faced with overwhelming competition from a competitor abroad, we have import policies to provide transitional relief or assistance to them.

Your third question was about whether we should be concerned about an over-dependence on the trade performance of our natural resources. Personally, I've always been one who believed you play from your strength. If our strength is—and it clearly is—our resource wealth, then we should take advantage of it. We should build our economy from it, but of course we need to be sure that we're getting value added in extraction and production in Canada, especially in our exports.

We also need to be able to diversify our economy and move into higher value-added and knowledge-intensive areas of the economy and be sure that we export from those areas as well. If you look at our trade data and the performance of Canadian business, you'll see that this is happening and that we have some very competitive industries in the high end and the knowledge-intensive end of our economy. I think that's encouraging.

But we shouldn't deny the resource wealth we have and we should be prepared to build from it.

• (1050)

Mr. Paul Robertson: Perhaps I could just add to your question concerning how better to compete with new international markets that were not there ten years ago. You cited, quite correctly, India and China.

That gets back to the focus that is increasingly being put on the North American platform to make more efficient the supply chains, etc., in North America, where companies feed into. It might not be a totally made-in-Canada product, for example, but if you make more efficient the ability to produce something at a lesser cost and use the technology, that is a positive step towards increasing competitiveness. That is why, for example, in the context of NAFTA, there's a new emphasis on the work to focus on sectors to identify what obstacles are in those sectors that can be removed by government to increase—

Sorry, perhaps I'm....

Ms. Helena Guergis: Oh, the chair is giving me the look that says I can't get my last question in.

Mr. Paul Robertson: Okay, I'll leave it there. I'll refer you to my earlier statement on that.

Ms. Helena Guergis: It's more around the Persian Gulf states. I know there are some opportunities starting to develop there. Is Canada doing anything?

Mr. David Plunkett: In the short time that I have been on the job, I can say it is an area that we know is there. I think it is on our to-do list to look at it more carefully. Obviously, there are resource issues in terms of trying to clear through what we already have on the table and to address some of the very labour-intensive negotiations, such as the one with Korea, for example. You would be amazed at how

many people get drawn into these because of the complexity of them.

But it is an area we will be looking at more carefully. Obviously, we have to look at the package, and then we will go forward with recommendations and seek some guidance as to where we should be putting our attention in the coming months.

The Chair: Thank you, Ms. Guergis.

To Mr. Julian, for seven minutes.

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

Thanks for your presentation. You raised the issue of the SPP. I'm interested in knowing how those discussions are organized within the department right now. How many consultative groups exist, and what areas are they are currently discussing?

Mr. Paul Robertson: Perhaps we can provide more information to you concerning the structure, because it's quite elaborate. It involves most departments of government.

There are two basic foci, as you know. One is with respect to prosperity, the other to security. We do have, as the prosperity minister, the Minister of Industry, Mr. Bernier, to deal with that whole activity centre. The second is with respect to security, and that, of course, falls squarely with respect to the CBSA and those on the border elements of security.

You have the lead in Industry Canada to organize many activities that are supporting the work program of the SPP in terms of the prosperity side. The department plays in a number of those. For example, in the manufacturing groups there is a lot of work being done with respect to regulatory cooperation between the three governments, particularly with respect to establishing a framework within which further regulatory development can be looked at from an overall north American perspective. There's work in that area that the department is involved in.

There are many other areas that we play on. For example, there's a steel focus in the prosperity element, in terms of the steel initiative. That is interdepartmental with industry and finance and others.

It's very difficult to outline all the areas, given that the prosperity agenda...if you've seen the agenda... We can certainly provide a copy to you in the next day or so.

• (1055)

Mr. Peter Julian: We do have a copy of the agenda, but I think we'd be very interested in having identified who is responsible for the discussions in each of those areas. Is that something you could make available to this committee?

Mr. Paul Robertson: I think the overall responsibility lies with Industry Canada and Minister Bernier; therefore, we feed into that authority. There are many interdepartmental groups that have nominal leads, but into which other departments feed. So we can give you generally the major divisions and the leads within each of those divisions.

Mr. Peter Julian: Great. Is that something you would be able to make available to us this week?

Mr. Paul Robertson: I would think so. Yes, we can.

Mr. Peter Julian: Thank you.

I'd like to come back to the bilateral consultations on agriculture. You mentioned those as well. In those bilateral discussions, was the Canadian Wheat Board discussed?

Mr. Paul Robertson: No. These are technical discussions to further facilitate trade between the two countries. They are very technical on phytosanitary and other issues that may impact on the flow of agricultural goods across the border.

Mr. Peter Julian: But there is discussion on what are considered barriers, right?

Mr. Paul Robertson: Not in the terms by which you're defining the barriers. These are to increase the efficiency of the technical regulations facilitating trade between the two countries: whether a regulation should have an extra element to consider a seasonal adjustment in the tomato element of a region. These are very highly technical.

I think it proves the depth of the relationship when you have bilateral and trilateral exchanges to that degree to facilitate trade within the North American market. So these are, then, more technical than what you are meaning with respect to your reference to the Canadian Wheat Board.

Mr. Peter Julian: So the Canadian Wheat Board has not been part of those discussions at the bilateral consultations on agriculture in any way.

I appreciate, of course, getting the list of who is coordinating those groups and how many there are taking place within the government. I do want to come back to a general question in the minute or so that I have left in this first round, though. It's on the issue of the diversity of our trading.

As we know, currently 85% of our trade goes to the United States. I come from the small business sector, where you're putting yourself at risk if you're just dealing with one particular client. There obviously has to be an intent to diversify markets so that we eliminate the dependence on the American market. As we've certainly seen with softwood, that can be to our detriment. What is the approach of the department, then, on trying to lessen the dependence on one market?

• (1100)

Mr. David Plunkett: I think Mr. Emerson has recently summed this up. We need more markets, more sectors, and more companies involved with the global value chains. From that perspective, this need for diversification is well recognized.

I've just come back from four years in London, where I was the senior trade commissioner at our largest European post. As government, we can set up and do what we can to indicate that market X is an attractive one to do business with, but ultimately it's a choice of business itself as to whether or not it wants to take advantage of the opportunities that may be there. In effect, we can try to get people to the well, but whether they drink or not is their particular choice.

So we recognize diversification as a general point, but ultimately it's up to each individual business person, when they wake up in the morning, as to where they want to do the trade.

Mr. Peter Julian: Do I still have time?

The Chair: Enough for one quick question.

Mr. Peter Julian: Quickly, do you not see a contradiction between the SPP, which would continue, if not deepen, that dependence on one market particularly—the United States—and the objective of trying to provide a broader spectrum of markets for our exports?

Mr. Terry Collins-Williams: No, I don't think there's a contradiction. I think they're mutually reinforcing. I think we want to consolidate them to the extent that we can expand opportunities for trade in North American markets and also, as Paul Robertson referred to earlier, use the North American market and the interaction of Canadian business in North America as a platform to increase competitiveness to be able to trade in the rest of the world. I think with global supply chains this is a very important component.

At the same time, through bilateral negotiation, both of trade agreements and other forms of trade instruments, and through the multilateral—because we certainly haven't given up on the WTO, it is the largest and most comprehensive market-opening tool we have available to us—we are seeking to open markets for Canadian business in other countries where we see a lot of opportunities and where, to date, we may be underperforming in other areas of the world, especially Asia.

I think we see those as mutually reinforcing and not contradictory. I hope they are.

The Chair: Thank you, Mr. Julian.

We go now to the second round, starting with the official opposition. Mr. Maloney, you have five minutes.

Mr. John Maloney (Welland, Lib.): Mr. Plunkett, you indicated that Canadian business has complained about a loss of business opportunities with countries that have preferential free trade agreements with other countries. Do you have any idea of the quantum, the amount?

Mr. David Plunkett: I don't have a number offhand, but I can give you an illustration of it. Certainly in the southern hemisphere there are concerns on the part of some of our agricultural industries. They feel that the absence of our own preferential agreement with some of the countries that the United States and others have worked out deals with is affecting their ability to compete in these markets.

Some of the products, be they wheat or pulses or whatever, can be very price-sensitive, so if your competitor has a preferential access of x per cent, that might be the difference between getting the deal or not.

I don't have a number for you offhand, and often they won't necessarily tell us; they'll just tell us they're losing business, and sometimes it's an opportunity lost. Some of these things will be difficult to quantify per se; it's just a gut feeling by the business people, who know their trade.

• (1105)

Mr. John Maloney: Is there any noticeable migration of such businesses to countries that have preferential agreements? Are we losing business to, say, the United States, which does trade with markets offshore?

Mr. David Plunkett: It's hard to say. Each business has its own characteristics, so they make whatever business decisions are appropriate to their circumstances. Sometimes, in order to meet what the competition is offering, they may price down below what they may have been able to get for that same market in the past. I think each individual case has to be looked at on its own merit.

Mr. John Maloney: When we look at the United States, they concluded 15 agreements in the same period that we didn't conclude any. Is it a matter of human resources? Do we need more trade negotiators? Is it a lack of interest on the other side, the trading partners we are currently negotiating with? Are they content to have agreements with the U.S. and not with us? Can we target a little more the reasons we're falling behind?

Mr. David Plunkett: A full-blown trade negotiation is extremely labour-intensive. By way of an example, before going off to Singapore, I chaired an interdepartmental meeting just to let people know what we were doing and to take stock internally as to where things stood on the various individual items within the file. I think 30 people showed up from the various departments.

My own team is expressing concern on a daily basis that they're being run off their feet trying to keep all the balls up in the air. It is tough, and as we engage more of these at the same time, I think it won't be surprising if we go looking for some extra help.

Mr. Terry Collins-Williams: I think we also have to look at the resource demands and priorities of our trading partners. If we face these resource demands in Canada, a wealthy and developed country, you can imagine a small developing country in Latin America having to put practically the same resources into negotiating a trade agreement. If they're looking at a choice of markets in North America and they see the United States on the one hand and Canada on the other, I guess it's logical that they'll start with the United States.

Mr. John Maloney: The United States have concluded 15 agreements. Obviously the other side has agreed to the U.S. demands, and vice versa.

Do our values as a trading nation differ that greatly from those of the United States that we couldn't use those agreements as a model in order to expedite this? Where do we differ significantly?

Mr. David Plunkett: These agreements are public, and I think for the most part it's fairly straightforward to get access to them. We can certainly look at them as models that can give us some guidance, but we will obviously shape what we're looking for to meet our particular needs. So what the Americans or others may be prepared to accept or not accept doesn't necessarily square with what we wish to pursue, or what our bottom line may be. So it's a guide, but only up to a point.

We also have to keep in mind that the U.S., because of its significant economic performance and trade and investment links with some of these same countries, may have leverage that we don't have at a given time, simply because of the scale of the opportunities in play. So use it, but you have to be conscious of its limitations.

• (1110)

Mr. John Maloney: Is it a real problem for us that we're a smaller player compared to the United States, which can cover more areas and link this sector with that sector?

Mr. David Plunkett: They have a very advanced economy with huge interests across the board, including agricultural. So when they sit down at the table they bring a very broad agenda, as do we. But as Terry just said, it isn't just what we on our side want. Getting people to show up at a meeting is not always easy, because they're being pulled from all sides; they have a multilateral component.

A lot of these countries, even the small ones, have been busy working on bilateral and regional activities within their particular parts of the world. So when you finally show up at the table there are many variables at play as to how far or fast you can go in any particular negotiation.

The Chair: Thank you, Mr. Maloney.

Monsieur Cardin.

[*Translation*]

Mr. Serge Cardin: Thank you very much.

Good morning, gentlemen.

I've always said — and, if you haven't said it yourselves, you think it — that, when we talk about globalization or free trade agreements, everyone wants to globalize here and that we want to globalize somewhere else. Trade continually runs in both directions. However, the parties don't always have the same weight in terms of production and development, among other things.

Someone spoke earlier about natural resources. Indeed, they are important for Canada, but the economy that's increasingly developing is based more on what I call value-added, an intangible aspect of products based on innovation, creativity and, if we want to produce more, efficiency and competitiveness. In negotiating free trade agreements with other countries, Canada must really be convinced of its ability to innovate, to be productive and to compete around the world, as it were. Canada's ability is relatively limited, if only because of the difference between its population and that of the United States. The latter only needs to increase its production by six or seven percent and Canadian markets are invaded.

Having regard to these principles, what does Canada do? We know, as regards innovation and creativity, that the knowledge economy is based on raw materials. Here we're talking about secondary and tertiary processing. What is Canada doing in terms of support for businesses? Not all businesses have the R&D capability to achieve this kind of innovation and creativity. I think this is very closely linked. What kind of support are we giving those who negotiate overseas?

[English]

Mr. Terry Collins-Williams: It's a very good and fundamental question. As three individual government officials, we can only answer from a trade policy approach and a trade negotiating approach. But as I said in my introductory remarks, trade policy has to begin from domestic fundamentals. We have to know that we have a productive economy and that we can compete in international markets. As you say, we have to be able to move up the value scale in our international trade.

Canada has had a very remarkable record as an international trader. We are the most trade-dependent of the major developed countries, and have been for a long time. We are competitive. We have a very strong natural resources base, including our agricultural exports. But in trade policy and negotiating terms we also pay a lot of attention to what used to be called the new trade agenda and is now accepted as the services economy.

Since the 1980s, the free trade agreement with the United States, and the Uruguay Round of multilateral trade negotiations, the services economy has been brought fully into trade negotiations. We looked for access opportunities for our services industries.

Intellectual property and intellectual property rights have been brought into international trade negotiations. It's become a very important component for Canadian business to have the confidence to go into China to not only trade but make investments in China and be assured that their intellectual property rights are going to be respected. That was one of the keys to bringing China into the World Trade Organization.

I can't speak for the whole of the government's economic agenda, but in terms of the trade policy and trade negotiating agenda, I think we're very conscious of and have pursued approaches that encompass the whole of Canadian business opportunity and move up the value chain in our international trade.

•(1115)

[Translation]

Mr. Serge Cardin: If we're talking about negotiations for agreements between countries, we can say that the situation we recently experienced is an obvious example. We had a minor dispute with the United States, and we appealed, of course, under the NAFTA regulations and those of the WTO. Canada won, but is unable to enforce the decision at the legal level.

Ultimately, this sums up the present situation quite well, having regard to the international market and the disputes that may arise. The settlement of disputes with our partners has assumed considerable importance. We've recently been able to get an idea of the proportions this can take on.

We always have to ensure that it's binding. When we win, we win.

[English]

Mr. Terry Collins-Williams: The dispute resolution system in international trade is really unique to international relations, because there is no other area that I'm aware of in the conduct of international relations where countries have attempted and been willing to enter into binding commitments and some form of binding resolution of

those commitments. And they will respect their international obligations and provide enforcement mechanisms if they don't.

We're relatively new—I mean internationally, not just Canada—in this game, because it was only with the creation of the WTO in a multilateral sense and enforceable panel decisions, and with the FTA-NAFTA with the United States and then Mexico, that we got into this game of enforceable dispute settlement systems.

I think what we've found—and I can speak more from the multilateral context of the WTO—is that the system of dispute hearing and adjudication of trade obligations has worked reasonably well; that is, the panel system arriving at decisions in panels, getting the panel decisions accepted by the parties, which in the old GATT never happened because there had to be consensus on the adoption of a panel decision and so the losing party would never agree to accept such a decision. Under the new system, the panel decision will stand.

Then you come to the area of enforceability, and that's where I think we're still in a testing ground, because as you say, and we all know, the issue is that we can win cases, but can we actually get our trading partner to change its behaviour as a result of having taken and won that case? That is, we have recognition by all the parties, including the losing party, that it's not respecting its obligations, but then what do we do? How do we get it to accept its obligations?

The WTO provides that either they will change their practice, they will offer compensation, or if we are the winning party we can extract retaliation. Retaliation in trade cases is a losing game, because trade is meant to be win-win. It's meant to be gain, to increase trade. To retaliate and decrease trade doesn't really help anyone, and we found that in the Brazilian aircraft case on both sides.

So there is obviously still work and conceptual work to be done, but it has moved forward.

•(1120)

The Chair: Thank you, Mr. Collins-Williams, and *merci*, Monsieur Cardin.

We'll go to Mr. Menzies for about seven minutes. That's what the others have been getting here.

Mr. Ted Menzies: Thank you, Mr. Chair.

Thank you, gentlemen, for being here.

My first comment would be that I'm reassured when I hear the level of knowledge of some of the people representing this country. Keep up the good work. Maybe we need to give you a little more help if Canadian companies and Canadian people are actually going to see the benefits of more free trade agreements.

Three individuals who just joined us could talk very forcibly about the benefits of trade. They represent the Alberta Beef Producers. We've recently gone through some challenges with the beef industry.

In the western hemisphere, specifically in North America, a lot of these issues crop up. You can call them non-tariff barriers. It could be a health issue or a lack of harmonization in our regulatory processes. These issues are considered back and forth across the border. Are you able to address those sorts of impediments in free trade agreements, or do we just have to deal with them as they arise? I ask this with regard to new agreements, not necessarily NAFTA agreements but free trade agreements. Are we able to build in mechanisms that would allow us to harmonize some of these regulations, so we don't have another BSE crisis or potato wart issue?

Mr. Paul Robertson: Perhaps I can start in the North American context. Your question, of course, is broader than North America. There are continual incremental gains being made with respect to understanding and disciplines relating to regulatory issues. I'm sure Mr. Collins-Williams could speak about the phytosanitary agreements in the WTO and the technical barriers to trade.

In the NAFTA context, more and more of the issues are being addressed. We've removed most of the tariff issues and are moving more into issues of regulation. This is one of the main areas of the new frontier. None of this can be done overnight. The high-water mark at which we now find ourselves in North America is the result of 20 to 25 years of work. I can assure you that we are continuing to work to increase regulatory disciplines and understandings as well as to remove potentials. This has been given a priority in our North American and bilateral work programs.

Mr. Ted Menzies: At the WTO, we face more non-tariff barriers than tariff problems.

• (1125)

Mr. Terry Collins-Williams: Yes, it has been a real challenge getting at non-tariff barriers in the WTO, and partly just because of the extremely technical nature of those issues among 149, about to be 150, members of the organization.

I think Monsieur Cardin referred to differing levels of development among our trading partners. To take many of these technical issues into a negotiating context with many of the smaller developing countries is quite a challenge.

So there is an effort in the Doha Round to address non-tariff barriers. It was specifically identified in the non-agriculture market access negotiations. In that negotiation we spent the first three years just on the identification of issues and then on trying to place those issues in appropriate negotiating groups where some real progress could be made in developing disciplines to deal with them.

I think the most progress has been made in the area of trade facilitation, that is, at the border and leading right to the border: customs barriers beyond the tariff itself, administrative costs, internal transportation costs, the availability of internal transportation, making trade flow. Quite a bit of work has been done, and it requires a tremendous amount of technical assistance, because for most of these smaller countries the real barrier is that they don't have the resources to be able to provide the service. They would like to. They would like to be more involved in trade; they don't have the resources. So there's a huge technical assistance capacity building.

Specifically on agricultural non-tariff barriers, we made a decision before going into the Doha mandate that we did not see the prospect

for making gains in TBT and SPS from the agreements we had from the Uruguay Round, because they were already under attack, again mostly from developing countries that actually wanted to lower the standards because they couldn't meet them. So those agreements are not part of the WTO negotiating mandate, and that was for a very tactical reason.

Mr. Ted Menzies: On the subject of WTO, what can we do as a government to help facilitate a restart of this Doha Round after November 7, when things settle down in the United States? Do we have any hope?

Mr. Terry Collins-Williams: Yes, we certainly have hope. I think David said he was an optimist. Trade negotiators have to be optimists to be in the business, I think.

Yes, there certainly is hope. There are a lot of challenges. The challenges most immediately are in the agriculture area; you know that, both in subsidies—domestic support—and market access. They're the major players, and especially the European Union and the United States have to be willing to go further, the United States on making real cuts in its domestic farm support, and the European Union on guaranteeing more market access than they've been willing to put up so far.

There are a lot of other challenges and a lot of other opportunities in that negotiation for us. In the interim we have been examining other areas where we want to make progress. Services is one, where we're intensifying our consultation with the Canadian Services Coalition, and they have a very strong interest in moving forward.

I will say that our chief negotiator, John Gero, who is our ADM, trade policy, would have wanted to be here with you today, but he is at a meeting with a small group of WTO members in Europe, trying to do just that, to find a way to move the negotiations forward and to be able to get off the dime when the big players are willing to come back to the table and put something serious on offer.

The Chair: Thank you, Mr. Menzies.

Mr. Julian.

Mr. Peter Julian: Thank you, Mr. Chairman.

This is my last round, so I'm going to put four questions to you.

I'll start with the issue of the failure of the trade regime—the bottom line, which is actually supporting working families and seeing a higher level of income. We know the income of 80% of Canadian families is now lower in real terms than it was in 1989, when the free trade agreement came into effect. That's a manifest failure, and I'd like to know whether within the department there were any discussions about having a different approach, given that this one hasn't worked. Please don't respond with “well, exports are up”, because the bottom line for trade is how it's impacting on working families, and most families are doing worse than they were in 1989.

Second, before you arrived the issue of labour rights was raised in the excellent presentation by the Canadian Association of Labour Lawyers. It's one way of trying to address the issue I'm talking about, of a race to the bottom. Is there any discussion within the department of advocating or creating a Canadian approach to trade regimes that takes into consideration a much stronger commitment to the environment, the involvement of labour rights to ensure that people's incomes actually come up—things of that nature? Is there any discussion within the department on that?

Third, during the presentation this morning there was the issue of the CA4 agreement.

And thank you very much for your information about how the Canada-Korea negotiations are coming forward; we had heard things were not proceeding as rapidly as they appear to be.

I'm interested in the CA4. Where are we in those discussions? Are they being as rapidly brought to a close as the Canada-Korea negotiations are? And what are the next steps in the negotiation process?

Finally, my last question concerns the issue of human rights. Is this something the department takes into account when we're discussing the possibility of trade agreements? Has there been any discussion around the issue of human rights and how Canada can play a role in promoting human rights through trade agreements?

• (1130)

Mr. Terry Collins-Williams: Thank you. I will attempt to respond to the first and last of your questions, and David to your second and third.

On the question of the effect of trade agreements on family income, I don't want to debate statistics and their relevance or accuracy, and I don't doubt in any way the statement you've made about lower family income since 1989, but I don't see how we can attribute a drop in family income since 1989 to any particular trade agreement. You would have to look at the performance of the whole economy and what's happened in that period of time. Certainly, trade agreements and Canada's export performance contribute to the Canadian economy—and have contributed demonstrably to the growth of the Canadian economy since 1989—but I don't think it's possible to make a direct correlation between the entering into force of a particular trade agreement and the overall income levels of Canadian families since a particular time.

On human rights and the relationship to trade agreements, certainly we consider our participation in trade agreements and the outcome of trade agreements contributing to human rights, in the sense that it is a fundamental human right that every individual in the world should have a decent living and a decent opportunity to make a living. We believe trade agreements contribute to that and contribute to the opportunities for growth in developing economies. That's why the Doha development agenda is directed specifically to the opportunities and benefits for developing countries, and it's the reason for their being given special consideration and treatment in the negotiation and in the outcomes of the negotiations.

Mr. David Plunkett: Thank you.

With respect to the labour rights question, as I said earlier, this question of labour side agreements is part of the process in which we

are engaged. For example, we are looking for mutual commitments to respect fundamental labour principles and rights, and these, as Terry mentioned earlier, are based on some of the principles that one finds embedded in some of the other international organizations that have focused primarily on labour issues—in particular, the ILO. In that case, we look for transparency and opportunities for the public to be able to raise its concerns and for governments to have frank and useful exchanges in this area.

Generally, we consider that these labour agreements support our international development strategy. They advance economic growth and promote good governance and the rule of law.

You also mentioned the environment as well. Likewise in these agreements, we will look at environmental side agreements, which should also be supportive. Again, in that context, it may depend upon who it is we are negotiating with. Sometimes they become dealt with within the agreement, other parts may be parallel to it, and so each situation may depend on what we think is the best approach and what our trading partner at the time also considers. You sometimes have to be a bit flexible as to how you come at these things.

With respect to the CA4, the negotiations are reasonably well advanced. There was actually a meeting of officials last week in Ottawa. My colleagues who attended advised me that the discussions were useful, but there remain considerable differences on issues such as market access. As I said, we have to make sure before we entertain any agreement that it meets our needs, and we would not recommend signing any deal. It has to be a deal that we think meets the standard that we would expect.

No date for the next meeting in the CA4 has yet been set, but Canadian and CA4 officials have agreed to continue to talk and explore ways to overcome these remaining obstacles.

Finally, I will just clarify that with respect to Korea, while we did make some progress and are making progress, there's certainly no deadline yet for completion, and frankly, we still have fairly significant differences to overcome. Here again, we will not conclude until there is a good deal for the government and Parliament to review.

Thank you.

• (1135)

The Chair: Thank you, Mr. Julian.

We're down to five minutes or less, possibly. I have a couple of questions I'd like to ask. Is there anybody else with a burning desire?

Mr. Cannan, you were indicating that you'd like questions. Can we go to Mr. Cannan for a couple of minutes?

Go ahead, Ron.

Mr. Ron Cannan: Thanks. I appreciate this.

I come from B.C., and we just announced our Asia-Pacific gateway, the \$591 million. Premier Campbell is very excited about Canadians reaping the benefits of expanding the trade region in Asia-Pacific, so I am appreciative of your comments to my colleague Ms. Guergis earlier.

I want to clarify something in regard to Mr. Julian's comment about where we are at with working families and incomes. I heard you mention, Terry, that it's hard to statistically get into the debate, but where would we be if we didn't have the trade agreement?

Mr. Terry Collins-Williams: If I don't enter the debate from one side, I had better not enter the debate from the other side.

Ms. Helena Guergis: Doom and gloom....

Mr. Ron Cannan: I appreciate that. If you want, we can talk about that afterwards with Mr. Julian and maybe go for a beverage.

I had a small business in Alberta, and one of the concerns is that there seem to be fewer and fewer small to medium-sized enterprises participating in the free trade agreement. Do you see some specific barriers or trends we can learn from, and so maybe reverse this trend and get them more engaged? As you know, Canadian small and medium-sized businesses are the backbone of our country and our economy.

• (1140)

Mr. Terry Collins-Williams: Right. That's certainly an issue that has been identified in the department and in the government, and I believe it is referred to in the report on plans and priorities. There are programs to bring small and medium-sized enterprises to export readiness and then to assist them, actually, with international business transactions.

From a negotiating perspective, I think we're negotiating the same access in international markets, in foreign markets, for all Canadian companies, regardless of their size. If we can open those markets, then it's our responsibility and that of another program within our department and of other government departments to provide the assistance to make sure those enterprises are actually able to take advantage of the negotiated opportunities.

Mr. Ron Cannan: I have just one quick question. In your opening comments, you mentioned that basically there's been very little dispute. Is it true that our Canada-U.S. trade agreement has been 97% dispute free?

Mr. Paul Robertson: Yes, it's in that range.

Mr. Ron Cannan: Thank you.

The Chair: Thank you, Mr. Cannan.

Our time is up, gentlemen. Thank you very much for coming again. We appreciate it. We know you have an awful lot to do with your time.

We do have a motion, or possibly two motions, that Mr. Julian has given notice of. We will deal with those now. Gentlemen, if you could just leave the table, we'll continue with the motions. Thanks very much.

Mr. Julian, go ahead. You can indicate whether you would like to bring both motions now or just one.

Mr. Peter Julian: Yes, thank you very much, Mr. Chair. It won't take too much time, because I think we'll have a broad consensus from all four corners of this table. They are very straightforward motions that I'm sure will receive support.

I'd like to move the first motion, which is regarding particularly CA4, which, as we've seen, is well advanced in the negotiations. So the question is that we have full and immediate disclosure of the draft texts and Canadian negotiating proposals for the CA4 FTA, that we ensure that mechanisms are developed for authentic public debate, including stakeholder consultations open to civil society and broader public participation, and that this committee be mandated to conduct a further study on the potential impact of the Canada CA4 FTA, including on human rights. The study would allow the standing committee to make an informed recommendation to Parliament.

Mr. Chair, we've had a couple of brief meetings on this issue. Obviously concerns have been raised that are very legitimate, and I would hope we'd have consensus around this committee table to move in that respect. It is our committee responsibility to ensure, if negotiations are well advanced and if we are coming to the point of looking at signing a treaty, that it happens in a way that respects the Canadian public.

The Chair: Thank you, Mr. Julian.

Now we'll go to debate on the motion.

We'll have Mr. Menzies, Mr. Epp, and Mr. Cannan.

Mr. Ted Menzies: Thank you, Mr. Chair.

I'm sure this will come as no surprise to Mr. Julian, but I have a great deal of trouble with this motion. First of all, regarding reporting to the House, I don't think that is the mandate of this committee. We can make recommendations, but reporting to the House that we have done due diligence on this would be very premature. We haven't heard from a number of staff people from the trade department who can share some of the opportunities. We've heard pretty much the negative side. And we just heard from three officials who said they don't proceed with any free trade agreements unless there is some encouragement from industry, from Canadian companies, that there are benefits to Canada to pursue this. So we haven't heard that part of the debate yet.

The human rights part, the human rights issues, I would suggest, should not be dealt with at this committee. We have now struck a human rights subcommittee, which I have the privilege of sitting on. That is where we should be dealing with those issues. I think that would be appropriate. So if you're interested, Mr. Julian, maybe we should refer that suggestion to the human rights subcommittee. That might be an appropriate place to deal with it, rather than here.

I'm sure my colleagues will have some other comments about this too, but I just think the timing of this motion is inappropriate, and at this point I certainly could not support any part of it.

• (1145)

The Chair: Thank you, Mr. Menzies.

Ms. Guergis is next. Then I have Mr. Cannan and Monsieur Cardin.

Go ahead, Ms. Guergis.

Ms. Helena Guergis: Thank you.

I sure hope the Liberals weigh in on this conversation and that we don't just see what usually happens here when we have a motion coming from Mr. Julian, where that side just decides to vote in favour of it without actually engaging in solid debate.

I'm taking a look at the first bullet here, at "full and immediate disclosure". In the cases in the past, with Costa Rica, Chile, and Israel, we have never released the draft text. It never happened under the Liberals. So am I seeing here, if they decide to vote in favour of this motion, that they've changed their policy and are now in favour of releasing the draft text for negotiations? That would be interesting to see, of course.

Also, in the case of multilateral talks, drafts have only ever been released with consent, and the CA4 actually thinks it would be premature to do this. I think we have to recognize that this is their position as well, that it would be premature.

I have some other points here. I would suggest, when we talk about authentic public debate, that we have had it, not only around this table but going back again even to the Liberals when they launched this in 2001. Prior to launching this negotiation in 2001, the Liberal government at the time actually held substantial and very comprehensive consultations to seek input to see whether we should even proceed with this any further. The Liberals at the time felt they had. This process remains open.

So am I hearing that the Liberals now have decided they didn't do due diligence at the time and hadn't had the consultations that produced broad support to actually go forward to the position we are in today? I'd be interested to hear what they have to say about that.

I remind everyone around the table that there is an extensive public consultation process prior to initiating any agreement, and such is the case with this Conservative government, as we've seen with softwood lumber around this table. How often have we had public consultation here? I know the Liberals agree that we have had extensive consultation at this table around softwood lumber, or they would be encouraging us to keep going with it. But they know it's time to move on as well, which they have said around this table.

I think it's very premature, actually, to start reporting to the House on this issue. If you remember, Mr. Julian, I asked the bureaucrats to leave that day so that we could hear more from your witnesses, who were here that day. We haven't heard from them specifically on this. Maybe we should be hearing a little more detail on it before we start making recommendations to the House. I think it would be the responsible thing to do.

Those are just a few of my points, Mr. Chair.

The Chair: Thank you, Ms. Guergis.

Mr. Cannan. Then we'll go to Monsieur Cardin.

Mr. Ron Cannan: Thank you, Mr. Chair. I'll be brief. I know the time is limited.

I just want to reiterate the fact that we heard from two lawyers this morning from the Canadian Association of Labour Lawyers. The question I asked them was—and I believe you, Mr. Chair, asked the question—whether or not information would be released unilaterally

when they're negotiating with the partners. They said no, it's the consensus of both parties or all the parties involved.

As I stated during the discussion at that time, our government is prepared to release the information once the remaining four parties.... There has to be a consensus among all five of us, and the information will not be exposed unilaterally. I think that would be negotiating in bad faith. So I will not be supporting this recommendation.

Thank you.

The Chair: Monsieur Cardin.

[*Translation*]

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

Let's say that, on the whole, I have a favourable prejudice on this point, but, before going any further, I'd like someone to inform me, whether it's the analyst, the research officers or the clerk, about the committee's recommendation that the government suspend FTA negotiations with the CA4. I believe that's unusual. I even wonder whether it's not unconstitutional, in view of the fact that bargaining is a privilege that falls directly to the Crown?

• (1150)

[*English*]

The Chair: We'll certainly ask the researchers for a comment on that.

If you're ready, do you want to comment?

[*Translation*]

Mr. Peter Berg (Committee Researcher): I'm only going to answer the first part of your question. Based on my experience, a committee submitting a recommendation to suspend negotiations isn't something that's normally done. I'm not a constitutional expert, but we could check to see whether it's possible. In constitutional terms, these people are empowered to conduct these negotiations. The fact remains that I'm not an expert in the field.

Mr. Serge Cardin: Mr. Chairman, in view of these facts, perhaps it would be preferable to amend this motion by deleting the words "suspend negotiations". I don't see why the negotiations couldn't continue if we requested information. Matters are changing; they're advancing. We could at least clarify things on our side, even if negotiations continue. The recommendations could follow.

The fact remains that my proposed amendment in no way prevents the recommendations from being maintained, regarding disclosure, etc.

[*English*]

The Chair: Monsieur Cardin, are you proposing an amendment to the motion?

[*Translation*]

Mr. Serge Cardin: Yes. I prepared a draft which could read as follows: "That the committee report to the House on the FTA negotiations with the CA4, while immediately disclosing, developing and mandating [...]." I've changed the verb tenses, but that's essentially the meaning.

[*English*]

The Chair: Okay, we're now on the amendment.

Mr. Julian.

[Translation]

Mr. Peter Julian: Mr. Chairman, I second this friendly amendment.

[English]

The Chair: Is it agreed that the amendment be accepted?

Ms. Helena Guergis: If I agree to the amendment, does that mean I'm supporting the whole motion?

The Chair: Of course not. It's only the amendment.

Mr. Epp, and then Ms. Guergis, do you want to comment?

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Would it be possible to get this amendment in writing?

The Chair: The amendment would delete the recommendation that the House suspend... Actually, I'd better make it clear exactly what the amendment is, and what would be removed. We're looking at the French translation.

The Clerk of the Committee (Mr. Normand Radford): I can offer free translation, if you wish.

The Chair: Monsieur Cardin, if you could see if this is what you were proposing for the amendment, the clerk will do a rough interpretation.

The Clerk: A very rough interpretation, Mr. Chair.

It would be something to this effect: "That the committee report to the House on the negotiations of the Canada CA4 FTA, while considering the following:"

The steps that are there now would constitute "the following".

• (1155)

The Chair: Monsieur Cardin, does that—

[Translation]

Mr. Serge Cardin: I also have an English version, if it can help you.

The Chair: Thank you, Mr. Cardin.

[English]

We'll try that again.

The Clerk: It would be as follows: "That the committee report to the House on the Canada CA4 FTA negotiations while:"

Then, after the "while", there would be the four bullets that are there.

The Chair: Is it understood what the amendment is?

Any more debate on the amendment?

(Amendment agreed to)

The Chair: Now we'll go to the motion as amended. Any more discussion on the motion as amended?

Mr. Epp.

Mr. Ken Epp: Thank you, Mr. Chairman. I was afraid you were going to miss me.

The Chair: I would never do that.

Mr. Ken Epp: No.

I would like to appeal to the collective wisdom of this committee. We need to remember that our mandate is to do what is good for our country and for the people in our country. I'm glad we have now moved away from actually suspending the negotiations, because I think that would be extreme interference with the process that is under way on the authority of the government—both the previous and the present one.

I'd like to talk about the first bullet. There's full and immediate disclosure of all draft text. I'm going to try to persuade everyone, even Mr. Julian, to vote against this motion. I know that with his involvement in the past in union negotiations—as with mine—those negotiations are never conducted in public while they are taking place. And that's at the union's behest.

I was the chairman of our branch for a number of years. Later on, I became the president of the staff association at NAIT, where I worked. We had negotiators whose job it was to bring forward what we called our initial position. Those initial positions were always beyond what we expected to get. If you simply went forward with what you expected to get, then during the negotiation process that would be whittled away and you'd end up with a whole lot less. So in a negotiating process, you say this is where we want to end up; we anticipate the other side is going to come here, so in order for us to end up here, our initial position is going to be on the other side in an equal amount. If we were looking for, say, a salary increase of 3%, we would ask for 6% or 8%, knowing that they were going to come in with 0%. They always did.

We started negotiating, and we moved toward a position that was acceptable to our members and the people we represent. To disclose those opening positions while the negotiations are taking place is very detrimental to the process. You end up with a whole bunch of emotional reaction to positions that are unreasonable in the public's mind.

I would like to urge this committee to forget about this whole motion because of its lack of wisdom in terms of the process. Indeed, we have to have public debate and stakeholder consultations, because these are the people who are involved. But that takes place a little later in the process. I think it would be a great disservice to our negotiators, who work on behalf of our country, to expose them to having to make all their initial drafts public.

On that count, I would appeal to all members of this committee to reject this motion outright, because of its lack of practicality and lack of being able to accomplish what our negotiators are to do for us.

On the surface, it looks wonderful. I'm in favour of this. I'm in favour of openness and accountability. I always have been. I've been a member of Parliament for 13 years, and I became an MP because I wanted more openness and accountability. This is not, however, how to achieve it. What you do is you open up the accountability, not on the process but on the finished product.

I would like to persuade Mr. Julian to either withdraw his motion or to vote against it so that it's defeated. And certainly, to the other members of the committee, I would appeal very strongly on the basis of what I have just said.

Thank you.

• (1200)

The Chair: Thank you, Mr. Epp.

Along the same line, as chair, I question the first bullet, where it says "That the Committee report to the House, recommending that the government:", and the section toward the end, "and that a binding parliamentary vote be required...". I really question whether that's in order.

Mr. Peter Julian: There are two separate motions.

The Chair: Oh, that's a separate motion. Okay.

So we're not dealing with that motion at all right now. Okay, fine. We won't go there yet then.

Is there any more discussion on the first motion?

Mr. Peter Julian: I call the question.

The Chair: Mr. Maloney.

Mr. John Maloney: I have a question, perhaps to Mr. Julian.

Is his concern that he wishes to correct the errors of NAFTA and other bilateral agreements, that labour rights be included as a specific part of an agreement? Is this what he's trying to get at? If so, rather than at this stage having full disclosure of the draft text, can we provide a recommendation to this committee that in fact labour rights would be included as a part of this agreement?

Is that what you're driving at, Peter? This follows the earlier presentation this morning from our first panel.

Mr. Peter Julian: Yes, and it also stems from the presentation we heard in June. In both cases the witnesses were very clear that we needed to know what was being negotiated.

Mr. John Maloney: Why don't we direct a motion directly on that point as opposed to pussyfooting? Legitimate concerns have been expressed, so let's target your specific issue and vote on that and the recommendation to government.

The Chair: Thank you, Mr. Maloney.

Monsieur Cardin, go ahead, please.

[*Translation*]

Mr. Serge Cardin: The motion contains three specific points. I don't have any objection to the second and third. As for the first, it

seems to me that many people have reservations, mainly when it comes to negotiations.

However, at a minimum, some facts must be part of the public debate. People must know the sacrifices the negotiators are prepared to make on matters that concern individuals or businesses. The point is not to specify the percentage that will be applied to one element or another or to reveal the exact bargaining strategies. However, people, entrepreneurs, businesses and industrial concerns must know whether the government wants to sacrifice their specific area for the benefit of another. There has to be a debate. Priorities must be set.

So let's work together to find the specific terms that will determine what should be disclosed to business people, for example. I'm going to wait for someone to suggest to me the specific words concerning the idea of immediately disclosing the government's orientations, at least the orientations that provide us with some context in the negotiations and that people are entitled to know.

[*English*]

The Chair: Mr. Julian, you've heard the proposal. We have to deal with this. We're over time now. We could just go to the question.

• (1205)

Mr. Peter Julian: I call the question.

The Chair: We'll do that then.

(Motion agreed to)

The Chair: Mr. Julian, I guess we will have to leave the next one for the next meeting. I hope we can deal with it in short order at the meeting, because we're over time here now.

Mr. Peter Julian: Mr. Chair, I know there are a couple of amendments that will be brought forward by my Liberal colleagues and my Bloc colleagues, so if there's consensus that they come over to the Thursday meeting, I think that would be appropriate.

The Chair: Okay, then we will deal with that at the Thursday meeting.

The meeting is adjourned.

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