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Chair: The Honourable Judy A. Sgro



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• (1105)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): Good morning, everyone. Welcome to the 35th meeting of the Standing Committee on International Trade. This meeting is being held pursuant to the order of reference of January 25, 2021, and the order of reference sent to the committee on March 10, 2021.

The committee is beginning its study of Bill C-216, an act to amend the Department of Foreign Affairs, Trade and Development Act.

We have the pleasure of welcoming MP Louis Plamondon, who is with us today.

Welcome, Mr. Plamondon. I'm glad to have you here, and of course, Mr. Perron as well.

Mr. Plamondon, the floor is yours, please.

[Translation]

Mr. Louis Plamondon (Bécancour—Nicolet—Saurel, BQ): Thank you, Madam Chair.

Madam Chair, members of the committee, I am very excited to be here today. What is happening is historic: this is the first time this kind of bill has been introduced. We are here in committee to debate it, and I hope our debate will show how important it is to vote for it.

Bill C-216 is ultimately very simple. It would add to the powers, duties and functions of the Minister of Foreign Affairs the obligation to defend the supply management system fully by removing the minister's authority to negotiate those principles in future international trade negotiations. The minister would thus have no authority to sign a treaty under which tariff rate quotas would be increased for supply-managed goods or to reduce the tariff applicable where imports exceed the set tariff rate.

It is strange that Bill C-216 should be so controversial since it has received unanimous consent on several occasions since my former colleague André Bellavance first introduced it in the House of Commons on November 22, 2005.

Since then, following every free trade agreement, the Bloc Québécois has sought to confirm Parliament's support for supply management by introducing motions for unanimous consent. On every occasion, members have supported those motions, and, every time, the government flip-flopped and did the opposite. Hence the

importance of including these provisions in an act rather than a motion.

On September 26, 2017, during the NAFTA negotiations, the Bloc Québécois introduced a motion urging the government to protect markets subject to supply management. However, little more than a year later, on November 30, 2018, the government reneged on its promise and signed CUSMA, which would replace NAFTA.

On February 7, 2018, during negotiations for the Trans-Pacific Partnership, we introduced a motion seeking protection for the supply management system under that agreement. One month later, on March 8, 2018, the government once again went back on its word and signed the new treaty.

Then, on the last day of debate on third reading of Bill C-79, An Act to implement the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Bloc requested and obtained parliamentarians' unanimous consent for the government to pay full compensation to supply-managed producers for the breaches contained in the three agreements. That was on October 5, 2018, and compensation was subsequently provided in part.

Lastly, on March 10 of this year, a majority of members from all parties voted in favour of the principle of Bill C-216, which is even more significant than a motion.

I would simply like to remind members of the committee of what a vote on second reading means from a procedural standpoint. When members rise in the House to support the adoption of a bill on second reading, they are supporting the principle of the bill, by which I mean its idea and general scope. As members of the committee, you are therefore bound by that vote. According to the 2000 edition of Marleau and Montpetit's *House of Commons Procedure and Practice*, chapter 16, "If the bill has already received second reading, the committee is bound by the decision of the House and may not amend the bill contrary to its principle."

Consequently, we are not here to debate the pros and cons of supply management; the principle has already been adopted in the House. We are here to consider whether Canada should protect certain segments of its agriculture industry from foreign competition based on the rules of the World Trade Organization's agreements because, I would remind you, the supply management system complies with those rules.

Nor are we here to consider whether we have a right to do so. We already know. Provisions were set forth in the General Agreement on Tariffs and Trade, the GATT, before the WTO was even established.

Furthermore, many countries have invoked those provisions. We are not the only ones protecting certain goods. Everyone does it, even the United States, which criticizes us, because, since it has always been protected, it wants to invade what remains of our milk, egg and poultry markets.

From what do we ultimately want to protect our products? First of all, we want to protect them from unfair competition. Our main partner, the United States, violates many international trade rules while demanding more access from us. They subsidize their farmers illegally to the tune of several billions of dollars a year, which lowers producers' production costs and enables them to sell their goods locally and elsewhere at lower prices, which is strictly prohibited by the WTO. It constantly challenges aspects of our agricultural and forestry policies, as we recently saw in the softwood lumber and milk quotas cases, despite previous decisions by the WTO's Dispute Settlement Body. It is one of the most protectionist countries in the G20, but one of those most demanding of market access.

Other agreements are currently under negotiation, notably the agreement with Mercosur, which consists of Latin American countries, and other agreements will inevitably be discussed.

Incidentally, the first 16 free trade agreements Canada signed never addressed supply management in any way. So it's possible to discuss trade without involving supply management.

The supply management system has been vastly weakened by the latest concessions made by supply-managed sectors, which will now have to reorganize. We can't allow the United States or any other countries to force us to abandon our agricultural policies and practices.

I don't know what you think, but I think it's utterly ridiculous for one state to tell another what it's entitled import or export and at what price. And yet that's what's happening under the new NAFTA.

Quebec and Canada are exporter nations. That's undeniable; this has absolutely nothing to do with increasing protectionism. What we want is to be able to maintain a system that has proven itself for nearly 50 years and that still delivers reasonable revenues throughout the production chain, supports families in our regions and enables us to use our land.

Canada, as it should, has diversified policies and strategies to enable producers to live off the land and feed our people in accordance with the agricultural model they choose. Supply-managed producers, and even the entire agricultural sector, whether it be the Canadian Federation of Agriculture or the Union des producteurs agricoles, are simply asking us to preserve their agricultural model.

Thank you.

I will now be pleased to answer questions from members of the committee.

• (1110)

[English]

The Chair: Thank you very much, Mr. Plamondon.

We'll go to the committee members. We have Mr. Berthold for five minutes, please.

[Translation]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Thank you very much, Madam Chair.

I want to applaud my colleague Mr. Plamondon...

Mr. Louis Plamondon: Good morning, Mr. Berthold.

Mr. Luc Berthold: Good morning, Mr. Plamondon.

I applaud him for the work he has been doing in the House of Commons for years. I urge him not to adopt the bad habits of the ministers he has heard over the years by taking a lot of time to answer because I have a lot of questions to ask him today.

First of all, I welcome my colleague's initiative. The object of the bill is dear to the hearts of supply-managed producers: there must be no new concessions on supply management in future free trade agreements with other countries. I share that position, as does my party.

In fact, it's a commitment that was made by all the party leaders in the House, and it was confirmed following the disastrous agreement signed with the United States. I believe that's the correct adjective to describe it. We've conceded both quotas and our sovereign right to export powdered milk. In short, we have a lot of work to do.

My question for the member is this: does he trust the Liberals, yes or no, to comply with this act if it becomes a reality?

Mr. Louis Plamondon: There have always been breaches following these agreements, including the one the Conservative government signed with the European Union and the Trans-Pacific Partnership, which was initiated by the Conservatives and finalized by the Liberals.

I've often heard the Liberal party's Minister of Agriculture say that supply management was created by the Liberals, that they would not touch it and that they would defend it. I don't know whether they thought defending it meant that a few breaches, in 3% or 4% of cases, were acceptable. It appears that's been the case since they've solemnly committed to defending it. However, in their minds, it didn't mean defending it 100% of the time.

Now that a bill has been introduced on the subject, I'm hopeful we'll see an obligation to comply with the act. A motion, on the other hand, is just wishful thinking. So I hope the government honours the majority vote in the House.

Mr. Luc Berthold: Madam Chair, I'd like to ask the member whether he agrees with me that every trade agreement is submitted to parliament for approval. He himself mentioned this in connection with the TPP, which the Liberals renegotiated. So all these agreements are submitted to parliament via implementing legislation to amend existing statutes. Consequently, whether it's a bill or a motion, there'll be nothing preventing a government from continuing to make concessions should it wish to do so. It's unfortunate, but that's the way it is.

• (1115)

Mr. Louis Plamondon: That's possible, but I think governments will be cautious about it.

The people from the Union des producteurs agricoles and the Canadian Federation of Agriculture have put enormous pressure on all members, insisting that they really want this bill. I don't think farming people would be happy if it were passed and subsequently contradicted by another act. The risk to any party in power would be very great.

However, I must say the Liberals have a tendency to change statutes as they go along. I agree with you on that point.

Mr. Luc Berthold: You nevertheless admit that a bill adopted by the House can be amended by another bill at the whim of the government in power.

Mr. Louis Plamondon: It's possible, but, personally, I had a choice between doing something and doing nothing. So I chose to do something by introducing Bill C-216, thus putting enormous pressure on the government simply because it wouldn't be dealing with a mere motion anymore, but with a bill. In so doing, I would ensure the government wouldn't amend those provisions once adopted. If it wished to amend them later on, there would be a debate and we would rise to defend our point of view. The pressure would also be on the agricultural people, as I said earlier.

If we allow the party in power do what it wants, it'll be entirely free to look into the free trade treaties. On the other hand, it will have to be a little more cautious once a bill has been adopted on third reading.

Mr. Luc Berthold: Doesn't the member think it's dangerous...

[English]

The Chair: Thank you very much, Mr. Berthold. Your time is up.

We'll move on to Mr. Sarai for five minutes, please.

Mr. Randeep Sarai (Surrey Centre, Lib.): Thank you, Madam Chair.

I want to thank the member, Mr. Plamondon, for his passion on this topic.

I've heard what supply management is ever since I got elected in 2015 and even before that. I have no dairy farms in my riding, but I have many very close by in Surrey. I thank him for his passion specifically for the dairy sector but also for the other supply management sectors.

We are here today to study C-216, an act to amend the Department of Foreign Affairs, Trade and Development Act.

Mr. Plamondon, can you explain the pros and cons of this bill? What would be the positive and negative impacts, actual versus perceived?

[Translation]

Mr. Louis Plamondon: Thank you for your question.

As I said in my statement, the bill would limit the minister's power to concede anything in international negotiations. As I told

you earlier, we've managed to keep supply management intact in the first 16 free trade agreements that Canada has signed.

Every country has its own sensitive products that it protects. We also have our sensitive products and our farming practices as well, which are unique, and we protect them.

The aim of this bill is to continue protecting in future negotiations the principle of supply management, which has been around for 50 years. What's done is done. There have been breaches, and that's unfortunate, but we can take another tack in future negotiations, such as those we're preparing to undertake with Latin America.

Here's another example. Great Britain is now independent from the European Union as a result of Brexit and is currently negotiating a free trade agreement. However, Great Britain was part of the system when we conceded 3% to the European Union. We can't allow it another piece of free trade; we can't create another breach for Great Britain. It has to demand its share from the European Union because the agreement was negotiated for the entire European Union.

Our negotiators must therefore take very firm positions. When they sit down at the bargaining table and free trade is addressed, they'll be able to respond categorically that it's illegal under Canadian legislation for them to conduct such negotiations, period. Negotiations will then focus on other issues. It's a fairly simple principle.

• (1120)

[English]

Mr. Randeep Sarai: Thank you.

When it comes to farm cash receipts, I believe last year, in 2020, there was \$72.2 billion, an increase of 8.3% from 2019, when there was \$66 billion. This includes market receipts from crop and livestock sales, including all sectors under supply management and not. This is a significant power engine of our economy. Can you tell us the best tools and strategies for growth of the agriculture sector?

[Translation]

Mr. Louis Plamondon: The tools we have are quite sound. We may have beef and pork products, and even chicken products, for export to quite safe markets, markets that operate very well. We had a problem with veal at one point, but that situation was resolved and prices are very good. We also export a lot of wheat, but consumption is rising sharply because wheat can also be used for green fuel in particular.

So we have export opportunities. I don't think that protecting certain sectors undermines exports in any way. That's why the Canadian and Quebec agricultural sectors are doing very well right now.

[English]

The Chair: Thank you very much.

Monsieur Savard-Tremblay, go ahead for five minutes, please.

[Translation]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Thank you, Madam Chair.

Welcome to all my colleagues.

I also welcome my colleague Mr. Plamondon and thank him for introducing this bill, which will definitely solve some longstanding problems. Of course, nothing is perfect, and there's no magic solution, but it's preferable to have statutory provisions on the subject than not. I think that's obvious.

Before asking you my question, Mr. Plamondon, I want to correct a few points for the record.

First, the obligations under Bill C-216 apply before any agreement implementing act is introduced. In other words, it will become part of the minister's mandate: the minister will be barred from making any commitments on Canada's behalf. Consequently, this is in no way an agreement implementing bill.

I'd also like to clarify another point in view of our colleague's previous remarks. Supply-managed sectors receive no production subsidies. That's also important to note.

Mr. Plamondon, I'd like to ask you a question that, in a way, is a kind of rhetorical question.

Some of our opponents tell us that the bill might undermine other sectors during negotiations. My impression is that everyone is a believer when it comes to supply management, but there aren't a lot of practitioners. We often hear elected representatives say they fully support supply management and that they're committed to keeping it intact but that we shouldn't deprive ourselves of certain opportunities in future negotiations. Ultimately, they say they'll keep supply management intact but want to have the option of opening up a breach.

Doesn't that argument alone indicate how necessary this bill is?

Mr. Louis Plamondon: Yes. What the producers want is that the parties not use supply management as a bargaining chip during negotiations. They mustn't agree to allow a supply management breach in exchange for exporting certain goods, for example. The purpose of the bill is precisely to prevent that kind of bargaining.

I repeat, 16 free trade agreements have been signed without touching the supply management system. Proper negotiations are therefore possible with various countries if we put our cards on the table. Negotiators will be able to say at the outset that they won't touch the supply management system because a Canadian statute prevents them from doing so. That's how great and beautiful this bill is.

Negotiators don't consult Parliament every day when they sign an agreement. They subsequently say that they reached an agreement by winning on certain points while making certain concessions. Negotiators always open small breaches because they have the power to do so. If they didn't have it, the agreement implement-

ing bills then tabled in the House would be entirely acceptable and wouldn't attack our supply management system, which has been in place for 50 years.

• (1125)

Mr. Simon-Pierre Savard-Tremblay: Earlier you were asked whether you trusted the Liberals to apply or comply with this act. You essentially answered that you would trust them even less if there was no act. In other words, you trust them even less at the negotiation stage if there are no legal obligations and all there is, ultimately, is whatever word has been given.

Like everyone else, you agree that an act can be repealed. That's normal; we live in a democracy. The question I want to ask you seems obvious, but I nevertheless feel it's important to clarify the point: don't you think the obligation to repeal an act will prolong negotiations where parties want to open a breach in future? Then the government will have to accept the blame for repealing it before it can open that breach.

Mr. Louis Plamondon: You're absolutely right. When you decide to repeal an act, you have to have good arguments and the support of the sector concerned by the act. The decision has to follow from a request from that sector.

I told you earlier that the Liberals gave answers that showed they were very much attached to the supply management system. Before agreements like the one with the European Union or the Trans-Pacific Partnership were negotiated, I saw the minister rise in the House and say that it was the Liberals who had established the supply management system and that they would always defend it. They did it even more when the United States was involved. However, did they mean that they would defend supply management 100% or that they would defend it while making a few minor concessions? When you concede 3% here and 3% there, in the end, 10% of farmers' incomes disappears. That's so significant that it can compromise a farm's success, particularly for young farmers who want to go into dairy production, for example.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Plamondon.

I see that Madam Chair is about to speak. So I imagine my time is up.

[English]

The Chair: Thank you very much. I'm sorry, but your time is up.

Mr. Blaikie, please go ahead. You have five minutes.

[Translation]

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much, Madam Chair.

Mr. Plamondon, it seems to me we have a strange situation on our hands. The government claims it will never again open up breaches in the supply management system, but it nevertheless doesn't want to adopt an act that would prohibit it from doing so. In other words, it wants to keep all its options open. The Liberals are afraid it may be impossible to reach a free trade treaty with new partners if it can't open up breaches.

How should Canadians and Quebeckers who depend on the supply management system understand this tension within government, which claims it doesn't want to open up breaches but simultaneously wants to keep all options open?

Mr. Louis Plamondon: That's the problem.

First, I'd like to thank you for the speech you gave during the first hour of debate on Bill C-216. I listened to you attentively and was much impressed by the way you made your case and defended supply management.

The problem you mentioned concerning the Liberals is of course still a political problem. However, as I said earlier, they're sensing growing pressure from farmers. It seems to me it would be extremely costly for them to go back on their word because supply-managed producers have high hopes for this bill. That's what they told us when we met with them. If it passes, they'll be able to invest, for example, because they'll no longer be afraid a breach may open up and jeopardize their businesses.

Furthermore, many farmers are talking about creating new products. Something's happening in Saguenay—Lac-Saint-Jean, where farmers have joined forces to conduct research and development in order to achieve better results and design products that the public wants. Once they have assurances the supply management system is safe, they can think about designing new products and thus further expand the economy.

What we are proposing doesn't constitute a brake, far from it. Some say it would be like putting a brake on free trade, but that's far from true. I even heard someone say the supply management system was a type of federal social assistance program, whereas no subsidies are granted for supply management. People think producers subject to supply management are passive, but that's not at all the case. They're very dynamic. For example, cheese production is incredible in Quebec and everywhere else in Canada. Incidentally, I've tasted cheeses from your region that are extraordinary. We can compete in the European market. So our system is very dynamic.

Consequently, I don't see how the Liberals can say that they said yes, but that they ultimately wanted to say no and that they're prepared to open up breaches in supply management and negotiate. That would be extremely difficult. Ultimately, this bill is an additional barrier to their continuing their current behaviour.

• (1130)

Mr. Daniel Blaikie: Another argument we often hear is that we'll never be able to reach another free trade agreement if we have this kind of restriction in place. However, we have other well-established limits on national security and the cultural exemption, and that hasn't prevented us from signing free trade agreements.

Why do you think the Liberals and others think that this issue is different and that we can't hang onto this kind of exemption?

Mr. Louis Plamondon: That argument doesn't hold water, as shown by the exceptions you just mentioned. There's also the fact that all countries protect "sensitive products". In every agreement between countries, certain products are protected and left alone. Before negotiating, it's important to clearly indicate that supply management is untouchable. Then, when the negotiations begin, the matter has already been settled by the act...

[*English*]

The Chair: Thank you, Mr. Plamondon.

I'm sorry to interrupt, but I need to move to Mr. Lobb for five minutes, please.

[*Translation*]

Mr. Louis Plamondon: Okay. Thank you.

[*English*]

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you very much, Madam Chair.

Good morning, Mr. Plamondon. It's great to have you here.

Huron—Bruce is a rural riding in southwestern Ontario. It's on the west coast, right against Lake Huron, and has some of the most productive farmland in North America, with some very high yields. Huron County is the fastest-growing county in all of Ontario for dairy litre production. We're growing at 6% per year, in spite of some difficult circumstances with COVID and some trade deals, etc.

If you mentioned this in your opening comments, I apologize, but I want to ask you whether you have any thoughts on the United States potentially entering into the Trans-Pacific Partnership.

[*Translation*]

Mr. Louis Plamondon: I know that there have been many comments and articles on this subject. It's a possibility, since the arrival of Mr. Biden. Would this have an impact? To be sure, if the United States wants to regain some of what was conceded in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, it could benefit, but there would be no additional concessions from Canada.

Marc-André Roche, who is with me today, can give you further details.

Mr. Marc-André Roche (Researcher, Bloc québécois Research Bureau, Bloc Québécois): It's important to recall that when Canada made its initial concessions under the Trans-Pacific Partnership, the United States was still part of it. The concessions that were made at the time were for an area that included the United States. When they withdrew, they demanded additional concessions just for them.

Of course, if the United States were to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, it might have to come to an agreement with Australia or New Zealand on quota-sharing, to take on some of the quotas that would have been granted under the agreement, but there is no reason for any further concessions because the volumes granted had been conceded when the United States was in the partnership.

• (1135)

Mr. Louis Plamondon: Thank you.

[*English*]

Mr. Ben Lobb: Right. I certainly see that as a red line in my view on future negotiations on TPP with the United States in it.

One other question I wanted to ask you is about an outstanding ask that the chicken farmers have had in relation to the USMCA trade deal, and it is to have an enhanced and beefed-up presence with the border, the CBSA. That was part of their compensation out of the USMCA deal. They really weren't asking for direct support. They were asking for maybe some green and innovative ways for on-farm and maybe for some tightening up and more scrutiny at the border for the U.S. so that it may not be getting spent hens or something across the border in an unfair way.

Also, I understand as well that there have been cases where tanker trucks come across the border and say it's goat milk, only for it to be tested and found out that it's actually dairy cow milk. That's a clear violation of terms. I just wondered about your thoughts about maybe some outstanding dollars in commitments to CBSA. I'm not criticizing them, I'm just saying they need more dollars to do their job.

Do you have any thoughts about that?

[*Translation*]

Mr. Louis Plamondon: I fully share your point of view. The examples you gave are glaring.

I met some producers under supply management, mainly chicken farmers, who gave us unbelievable examples of all the manoeuvres used by the United States to cheat just a little, sometimes even to completely circumvent conditions under the free trade agreement. That had been the case for some time for cheese sticks. There had even been an incredible debate in Parliament. That was in 2008 or 2009, I think. At the time, we actually succeeded in disciplining the United States.

In any event, the solution would certainly be to have tighter customs monitoring. The government needs to make large investments to hire staff and acquire electronic equipment so that cheaters can readily be detected.

[*English*]

The Chair: Thank you very much.

We go now to Mr. Sheehan for five minutes, please.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much to the member for being here today and for presenting his private member's bill on a very important subject.

I'm not a farmer directly but the Sheehan history is one that's shared by a lot of people in Canada. My ancestors came across on a boat during the famine and my great-grandfather's parents both died on the boat coming across. He was adopted by the Québécois. He was allowed to keep his name and he was raised on a farm. Eventually, he found himself out west running his own farm and got wiped out by hail and came back to northern Ontario. This subject is near and dear to my family.

Therefore, thank you very much for your private member's bill.

Just for clarity, when this came to Parliament, the Liberals supported Bill C-216, because this is very important to the Liberals. I'm sure the member will know who voted and who didn't vote for it, as all of us who have had private members' bills before certainly do. I can't speak for the other parties and who voted for what, but we believe strongly in the supply management system. It's critical to farmers across this great country and Quebec, especially during the pandemic, and we'll always defend it.

I just want to make clear that we've also said that we will not grant any further market access to supply management sectors in future trade negotiations and have committed \$1.75 billion in compensation to our dairy farmers. I just want to put that on record.

Farming receipts, including in supply-managed areas, dairy and whatnot, all farming, are up 8.3% during 2020, which I found very amazing during the pandemic. Does the member have any other suggestions as to how we could strengthen the farming sector?

• (1140)

[*Translation*]

Mr. Louis Plamondon: Many programs could be improved at the request of agricultural producers. For supply management, I would say that what people mainly want is stability. They want assurance that if they invest, there won't be another breach that will yet again cost them 3% of their revenue. This is particularly important for those who are trying to build or grow their business. Young farmers are therefore very worried.

It's true that the most recent breaches were very harmful to some farms. It affected not only Quebec, but the rest of Canada too, including Ontario, because there is supply management in every province. The situation was very difficult everywhere. For just about everyone in Quebec and Canada, a 10% decline in revenue has a considerable, and even dramatic, impact. That was certainly true for young farmers. What they want more than anything else is stability.

For the other programs, such as development programs, there were many applications from the world of agriculture that would be achievable in the short or even the very short term. The government does not appear to be listening closely enough. I hope that the coming elections will raise awareness and that these expectations can be met.

It's true that overall, the farming community did reasonably well over the past year. As you said, revenues increased by approximately 8%. Everything is going well, but support for certain types of agricultural production should continue. Producers under supply management are not receiving any grants that would enable them to take action; what they are asking for is protection.

[English]

Mr. Terry Sheehan: Thank you very much for that very important answer.

The Chair: I'm sorry, Mr. Sheehan. You have about 35 seconds.

Mr. Terry Sheehan: Again, regarding the regional development agencies, I'm parliamentary secretary for FedNor, and we have DEC. I know we've helped different agricultural sectors, so if there are any ideas that the member has, in particular for small and medium-sized farms with smaller herds, perhaps he could delve into that now or put it in writing later, because that is a big question.

[Translation]

Mr. Louis Plamondon: Yes, I'll send something in writing.

[English]

The Chair: Thank you very much, Mr. Sheehan.

Mr. Plamondon, thank you for coming.

Mr. Perron, thank you as well.

Thank you all for being here.

We are going to suspend the meeting now. We have many witnesses coming up in part two, who we need to hear from.

I will suspend the meeting for two or three minutes while we get our witnesses set up.

• (1140) _____ (Pause) _____

• (1145)

The Chair: We'll call the meeting back to order.

Welcome to all of our witnesses.

As an individual today, we have Patrick Taillon, professor of constitutional law, Faculty of Law, Université Laval.

From the Canadian Agri-Food Trade Alliance, we have Dan Darling, president, and Claire Citeau, executive director.

From the Canadian Cattlemen's Association, we have Bob Lowe, president, and Fawn Jackson, director, international and government relations.

From the Dairy Farmers of Canada, we have Pierre Lampron, president and from Les Producteurs de lait du Québec, we have Daniel Gobeil, president.

Mr. Taillon, I open the floor to you. Please go ahead.

[Translation]

Mr. Patrick Taillon (Professor, Constitutional Law, Faculty of Law, Université Laval, As an Individual): Thank you, Madam Chair.

I'd like to begin by thanking the members of the committee for this invitation.

What I'd like to do is make a clear distinction between the two sides of my evidence. I'll make some comments as an individual and citizen who supports Bill C-216, but I would also in particular like to talk about things that fall more into my field of expertise, which is constitutional law.

As an individual and a citizen, it seems clear to me that some interests need protection, because they are strategic for Quebec and Canada. The health crisis has shown us that autonomy, particularly food autonomy and local production, are more important than ever.

However, I'm here mainly as an expert in constitutional law. My message is simple and I would summarize it as follows: it is legally possible to increase the role of Parliament in these debates. That's why it's important in this debate to make a clear distinction between the fundamental question of Parliament's capacity to decide and the political expediency of doing so. The law should not be used here as a pretext.

The relationships between the executive and legislative branches are complex. Sometimes it is useful to allow the greatest possible latitude to the executive. For example, when it has to make a rapid decision, it needs some flexibility. Sometimes, it's the other way around, the executive needs less latitude, and Parliament has to set limits. In both cases, however, it is up to Parliament to determine this balance. It's up to parliamentarians to rule on certain issues with respect to which their ultimate power, or their parliamentary sovereignty, must take precedence over executive leeway.

Do the interests protected by supply management deserve added protection, more parliamentary debate, or an executive blank cheque? It's a question of political expediency. As a citizen, I would say yes, but more importantly, as a constitutional law expert, I believe that there is no doubt that procedurally, legally and constitutionally, it is possible for Parliament to frame executive action on these foreign affairs issues. It has already done so in section 10 of the Department of Foreign Affairs, Trade and Development Act. What Bill C-216 is proposing is to go one step further, by adding details to the list of powers, and imposing certain limits on executive action.

Of course, it's important to remain aware of the fact that simply because Parliament would play a greater role in these decisions everything would automatically be carved in stone. Parliament remains sovereign. What I find interesting in Bill C-216 is the democratization of debate on these matters as a result of requiring parliamentary debate if the interests associated with supply management need to be challenged. The act would require that parliamentarians have the final word on these questions. In other words, parliamentarians will always be free to review these matters, but will have at least established appropriate, useful and politically expedient limits on the work of the executive.

To conclude, Parliament can set limits on the statutory powers of the minister as provided in section 10 of the Department of Foreign Affairs, Trade and Development Act. A move in this direction is a political decision vested in the elected members of the House.

As an expert, I am telling you that the procedural option exists. As a citizen, I believe that it's the right option.

Thank you.

• (1150)

[English]

The Chair: Thank you very much, Mr. Taillon.

We go now to the Canadian Agri-Food Trade Alliance.

Mr. Dan Darling (President, Canadian Agri-Food Trade Alliance): Good morning, Madam Chair and members of the committee. Thank you for the opportunity to present to you today.

My name is Dan Darling, and I am the president of the Canadian Agri-Food Trade Alliance or CAFTA. As you know, we are the voice of the Canadian agri-food exporters advocating for a more open and fair international trading environment for agriculture and agri-food. Today I am here to impress upon the committee that Bill C-216 should not be supported by parliamentarians.

Let me start by stating that our comments stem from decades of expertise in international trade policy and trade agreements, whether multilateral, regional or bilateral. We represent 90% of farmers who depend on trade as well as food processors and agri-food exporters who want to grow the economy through better access to foreign markets. Our members work in the beef, pork, grain, cereals, oilseeds, pulses, soybeans, canola as well as malt, sugar and processed food industries. Collectively, we account for over 90% of Canada's agri-food exports and support about a million jobs in our urban and rural communities across Canada. A significant portion of these sales and jobs would not exist without the competitive access to world markets. That is why we are urging committee members to carefully review Bill C-216 with Canada's wider strategic interests in mind and an export-dependent sector such as agri-food. It has far-reaching implications that could very much have unintended consequences on an export-dependent country like Canada.

We are deeply concerned about legislating the exclusion of products or sectors from trading negotiations, a move that would damage relationships with key trading partners and jeopardize the foundation of our economic engine as a trading nation. At the very least, Bill C-216 not only contradicts trade rules but is also counterpro-

ductive to our interests, and effectively ties the hands of our negotiators before negotiations even begin. As such, it would seriously constrain the government's ability to negotiate the best deals for Canada and, in turn, for Canadian agri-food exporters and workers. The bill is, therefore, detrimental to our ability to generate growth and protect jobs in every region of the country.

This is no small sector to disrupt. In addition to wider agricultural industry, which is already a key economic driver in every region of the country, food manufacturing supports hundreds of thousands of jobs in cities and towns across Canada. In fact, the food manufacturing sector is bigger than the automotive and aerospace sectors combined. Therefore, such legislation would set a dangerous precedent inviting other sectors and trading partners to seek exclusions from trading negotiations.

It is not unreasonable to recognize how encouraging countries to avoid making significant concessions on their end would only lead to less ambitious and less commercially meaningful outcomes across all economic sectors. Ultimately, by making it impossible for partners to even contemplate a win, big or small, in these sectors, Bill C-216 would reduce opportunities to be invited to have a seat at the table of various bilateral and multilateral negotiations and would put Canada on a collision course with the United States and many other trading partners, especially when it's time to review, extend or modernize existing trade agreements.

Increasing the leverage of other trading nations threatening to rip up trade deals threatens Canada's relationships, erodes badly needed stability and predictability, and jeopardizes the very foundation of our trade-reliant economy. One lesson we should learn from the renegotiation of NAFTA is that we should not take existing FTAs for granted. We should also fully expect that in the post-pandemic global economy, competition is going to be fiercer than ever before. Now is not the time to be erecting new barriers to trade or putting our country at a strategic disadvantage.

In conclusion, we ask that you oppose Bill C-216. Doing so will allow Canada to preserve its robust ability to negotiate comprehensive trade agreements and help secure Canada's long-term economic success with broad national interest in mind.

• (1155)

Thank you for our time, and I look forward to your questions.

The Chair: Thank you very much, Mr. Darling.

We'll go to the Canadian Cattlemen's Association, please.

Mr. Bob Lowe (President, Canadian Cattlemen's Association): Good morning, everybody.

My name is Bob Lowe, and I'm the president of the Canadian Cattlemen's Association. With me today is Fawn Jackson, our director of policy and international affairs.

The CCA is pleased for the opportunity to provide input on Bill C-216.

The CCA represents almost 60,000 beef producers from coast to coast. The beef industry is a significant driver of our economy as Canada's second-largest single source of farm income, contributing \$21.8 billion to gross domestic product at market prices and supporting just under 348,000 full-time-equivalent jobs.

Key to the beef industry's success in Canada is free and open trade, with 50% of Canadian beef being exported around the globe. A thriving beef industry generates considerable economic, environmental and social opportunities and benefits for Canada. Export Development Canada reported that Canada's agricultural exports are growing three times faster than the overall Canadian average, confirming that agricultural products are a net cash generator for Canada's economy and an area for continued growth.

Despite the significant hardships brought to the beef industry from COVID-19, the value of trade was up 1.4% in 2020 over 2019, setting a new record in export value. Having a record year during the difficulties of COVID-19 demonstrates the resilience and the important role that agriculture trade plays in Canada's green recovery.

CCA is a member of the Canadian Agri-Food Trade Alliance and is in support of their position regarding Bill C-216. As they have outlined in their brief as well as in their presentation today, Bill C-216 will have significant negative consequences from trade policy, trade negotiating, and political and economic perspectives. Along with CAFTA, CCA is deeply concerned about this bill and the political legislation to exclude products and sectors from trade negotiations, a move that would damage relationships with key trading partners and jeopardize the foundation of our economic engine as a trading nation.

Bill C-216 is counterproductive to Canada's economic interests and effectively ties the hands of our trade negotiators before negotiations even begin. This would severely constrain the Government of Canada's ability to negotiate the best deals for all of Canada, including Canadian beef producers. Bill C-216 would be detrimental to our ability to generate growth and support hundreds of thousands of jobs across Canada.

I'll repeat almost verbatim what Dan said. This bill also sets a dangerous precedent inviting other sectors and trading partners to seek exclusions from trade negotiations, which would lead to less ambitious and less commercially meaningful outcomes across all economic sectors.

We strongly encourage members of Parliament to oppose Bill C-216 to allow Canada to preserve its robust ability to negotiate comprehensive trade agreements that help secure Canada's long-term economic success with broad national interests in mind.

CCA appreciates the opportunity to provide input on Bill C-216 and would be pleased to provide any further information the committee may seek.

Thank you very much.

● (1200)

The Chair: Thank you very much, Mr. Lowe.

We'll go to the Dairy Farmers of Canada, please.

[*Translation*]

Mr. Pierre Lampron (President, Dairy Farmers of Canada): Good morning. On behalf of all dairy farmers in Canada, I'd like to thank you for this invitation to appear today.

My name is Pierre Lampron and I'm the President of the Dairy Farmers of Canada. I'm also a dairy farmer in Saint-Boniface, Quebec. I'm accompanied today by Mr. Daniel Gobeil, who is the President of the Producteurs de lait du Québec. We represent farming families from more than 10,000 farms across Canada.

In Canada, the dairy, poultry and egg sectors are under the supply management system. Unfortunately, supply management has been weakened by recent trade agreements. Import control, which can efficiently adjust supply to demand, is one of the pillars of supply management. When access to our domestic market is granted, it erodes the system.

All parties sitting in the House of Commons acknowledge the importance of supply management and are committed to not granting any more market concessions in future trade agreements in order to protect supply management. Bill C-216 would require Canadian negotiators to comply with this unanimous commitment. The time has come for political support to be translated into concrete actions to completely exclude dairy products from future concessions that allow access to our domestic market.

Dairy farmers acknowledge the importance of international trade for Canada's economy. We understand why Canada needs to explore and sign new trade agreements. However, concessions on dairy products have been used as leverage to allow Canada to be a part of three recent trade agreements that it signed. The concessions in these agreements represent an annual loss of \$450 million in revenue. Furthermore, if we factor in the access provided in the World Trade Organization agreements, approximately 18% of our domestic production will go to dairy producers from other countries. Their products will replace those made with Canadian milk on our grocery store shelves.

Committee members, there are limits to what a sector of our economy can endure. We're tired of having our sectors sacrificed in trade agreements. Our government must refrain in all future trade negotiations to sacrifice sectors that are under supply management.

I will now give the floor to my colleague, Mr. Gobeil.

Mr. Daniel Gobeil (President, Les Producteurs de lait du Québec): Thank you, Mr. Lampron.

Government compensation can't repair the long-term damage caused by trade agreements. Instead of receiving compensation, dairy farmer families would have preferred to avoid any dairy sector concessions, which would of course have allowed them to benefit from growth in the sector. Concessions with promises of compensation are not a good model for trade negotiations.

It is possible to sign trade agreements without sacrificing the dairy sector. Since 1997, Canada has negotiated 12 trade agreements with 15 countries without allowing access to our domestic market. The most recent continuity agreement with the United Kingdom proves once more that Canada can sign free-trade agreements with other countries without allowing additional access to Canada's dairy market.

That should be the norm for the future. Free-trade agreement negotiations should never sacrifice a particular sector. The desire of certain sectors to expand their export markets is legitimate and should be a priority for the government, but the interests of one sector ought not to be sacrificed to another's.

What constitutes a dynamic dairy industry during this pandemic? It should mean food and job security, enhanced access to the rural infrastructure and of course a strong economy that benefits all Canadians and all regions of Canada. Every time additional access to our domestic markets is allowed, the repercussions are felt by dairy farmer families across the country. The only viable model for the future is excluding our domestic dairy market from trade negotiations. Bill C-216 will make a political commitment that has been promised many times during election campaigns a reality.

Voting for this bill and removing domestic market concessions for sectors under supply management from future trade negotiations would send a strong signal. We believe that the choice is clear: adopting this bill would allow our farmers to continue to develop healthy, nutritious and high quality farm products and feed the country for many generations.

Thank you. We'd be happy to answer any questions.

• (1205)

[*English*]

The Chair: Thank you very much.

We'll go to Mrs. Gray for five minutes, please.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair and thank you to all the witnesses for being here today.

My time is limited, so I apologize in advance if I have to cut off your answers. I have two questions and then I'll be ceding my time to Mr. Berthold.

We heard testimony today that Canada negotiated 16 agreements without this bill and we support supply management.

My first question is to CAFTA. You shared...to not take existing FTAs for granted, which would include protecting supply management.

Can you briefly expand on this?

Mr. Dan Darling: I might want to mention that our executive director, Claire Citeau, is with me here today. She may want to elaborate on some of my answers.

Some of the deals we've done so far have benefited not only the non-supply management sectors, but the supply management sectors as well. We don't want to take those agreements for granted. We have to continue to move forward on trade deals that will expand the ability of our producers to expand their operations and feed the world—or feed Canada, for sure.

We feel that Bill C-216 will stop or inhibit the ability of our negotiators from doing just that.

Mrs. Tracy Gray: Great. Thank you very much.

My next question is to the Canadian Cattlemen's Association.

We've heard that Bill C-216 could tie the hands of Canadian trade negotiators, if not completely show our hand.

What would the risks be to all agricultural sectors during trade negotiations if that were to happen?

Ms. Fawn Jackson (Director, International and Government Relations, Canadian Cattlemen's Association): Thank you. I'm going to take the question.

We have to be able to sit down with our trading nations at times to negotiate new trade deals as well as to update older ones. To be able to do that, we need to be able to effectively engage in those conversations.

As you can imagine, if we take a number of everybody's sensitive products right off the table, right off the hob, this is certainly going to limit the ambition of trade agreements. This is particularly detrimental when we have to focus on economic recovery following COVID-19.

• (1210)

Mrs. Tracy Gray: Thank you, Ms. Jackson.

I'll send it over to my colleague, Mr. Berthold.

[*Translation*]

Mr. Luc Berthold: I'd like to thank my colleague.

My question is for Mr. Lampron.

Mr. Lampron, how do conversations go at the Canadian Federation of Agriculture when the time comes to talk about these agreements? There are clearly differences of opinion between the various farming sectors. How does it work? How do you try to convince your colleagues that a bill like Bill C-216 is good for the future of agriculture for the whole country?

Mr. Pierre Lampron: It's a good question, and thank you for asking it.

It certainly generates some good debates, but we're businesspeople and we can find proper solutions. It's true that the subject is becoming increasingly sensitive, but we have so much else in common, like protecting the environment, feeding everyone, being able to conduct and transfer operations. There are all kinds of other matters on which we agree and with respect to which we find points we can agree on.

As my colleague was saying, we have nothing against trade. It's just that we took the hit in the three most recent trade agreements. At some point, as was mentioned earlier, producers will no longer be able to cope, particularly young people who want to take the reins.

We need to remain optimistic and to provide security. We get promises from everyone. Over 250 MPs voted in favour of the principle in Bill C-216. At some point, concrete action is necessary. That's why we are requesting support for this bill. Our colleagues are not supporting it, but I think they'll be able to cope with a bill like this one.

[English]

Mr. Luc Berthold: Is my time up, Madam Chair?

The Chair: You have 35 seconds for a brief question, Mr. Berthold.

[Translation]

Mr. Luc Berthold: Thank you, Madam Chair.

Mr. Lampron and Mr. Gobeil, I just wanted to reiterate the Conservative Party's support for supply management. At the moment, I think that supply management has never before had so much backing from all the party leaders.

I just wanted to hear from you briefly on whether you had any news from the government about compensation for the Canada-United States-Mexico Agreement.

[English]

The Chair: Give a brief comment, please.

[Translation]

Mr. Pierre Lampron: We are still in talks. We don't have much that is concrete, but the door is still open. Discussions are continuing.

[English]

The Chair: Thank you.

We move on to Mr. Dhaliwal, please, for five minutes.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Madam Chair, I'll pass it on to the parliamentary secretary, Ms. Bendayan, please. If there is time left, I'll pose a question.

The Chair: Thank you.

[Translation]

Ms. Rachel Bendayan (Outremont, Lib.): Thank you, Madam Chair.

Thanks to my colleague for allowing me this valuable time.

Thanks to all the witnesses. We are beginning a very important discussion today and it's one that will continue over several meetings.

My first question is for Ms. Citeau and her colleague.

As you know, our government has committed itself to no longer allowing concessions for the supply management system in future trade negotiations. We recognize that this system is essential for our farmers. That's why we made our commitment. Here in Quebec, where I live, we support more than 10,000 dairy farms directly and indirectly.

I know that you and the Canadian Agri-Food Trade Alliance have a number of concerns about Bill C-216. I understand from your presentation and your replies that you are mainly talking about problems with respect to future trade agreements.

Are you afraid on behalf of other farmers and other agri-food sectors? Couldn't we do two things at the same time?

I'll give you time to answer.

Ms. Claire Citeau (Executive Director, Canadian Agri-Food Trade Alliance): Thank you for the question.

I'll begin by answering in French and then switch to English.

I'd like to reiterate that we are only speaking on behalf of our members and the sector that we represent.

My first point is more or less a reminder. I don't think anyone needs to be reminded just how easy it is to reopen free trade agreements. We saw that happen with the new NAFTA. When you have political clout, it's relatively easy to ask for free trade agreements to be reopened. That's something to take into consideration.

The rest of my answer will be in English.

● (1215)

[English]

Perhaps I can add to Dan Darling's comments earlier on. I think it's important to remember that trade policy is very much about technical discussions and political discussions. Both need to happen very much in parallel, and at some point, come together to conclude deals. We very much see this happening right now in the whole vaccine situation, as well as in the CETA context. Even though the deal has been decided, ratified and implemented, our members—it's not a surprise to any of you—continue to endure technical issues that hinder our exports, therefore, there's a need to continue the technical discussions and very much the political efforts as well to remove the barriers for our exporters. If you limit the ability of the negotiators and the government to manoeuvre pre-conclusion but also post-implementation, this could be problematic. We could be in a situation where non-tariff barriers could see no resolution, and that would be really problematic.

Dan, perhaps you want to add to this.

Mr. Dan Darling: Thanks, Claire.

I think that Claire, for the most part, answered that question really well. Obviously, to handcuff our negotiators right off the hop when they go into negotiations would be extremely detrimental. I can foresee, for an example, if we were working out a deal with the country of Ukraine.... Beef, for an example, was one of the things that they took right off the table right off the bat. What would be the reason for a lot of these negotiations to continue? Our negotiators have to be mindful of all of the deals that they make and do things in the best interests of all of our producers.

The Chair: Thank you very much. I'm sorry the time is up, Ms. Bendayan.

We go on to Mr. Savard-Tremblay for five minutes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

I'd like to thank all the witnesses here with us today.

I have just one brief question.

I find your comments interesting, Mr. Lampron. We in the Bloc Québécois represent Quebec. You, on the other hand, although the supply management system is extremely important in Quebec, represent not only Quebec dairy farmers, but also those in the rest of Canada.

You spoke to us about the usefulness of Bill C-216. Would you yourself describe it as essential?

Mr. Pierre Lampron: I'd like to thank the member for the question.

Yes, this bill is essential and very important.

It's true that I'm not speaking only on behalf of Quebec dairy farmers, but rather all dairy farmers in Canada. To be sure, dairy farming is of less significance in some provinces. As my colleague Mr. Gobeil said, dairy farming is very important in Quebec, but it is even more so for other provinces, where it is practised on a smaller scale.

As we mentioned, this bill is very important if we want a prosperous and sustainable dairy industry for future generations. There is a lot of investment at the moment, and we would like that to continue. That's why this bill is so important.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Lampron.

Madam Chair, I will give the rest of my speaking time to my colleague Yves Perron.

Mr. Yves Perron (Berthier—Maskinongé, BQ): Thank you, Mr. Savard-Tremblay.

Thanks to all the witnesses with us today. I'm very grateful for their presence.

My question is for Mr. Lampron and Mr. Gobeil.

I can understand the demands being made by groups opposed to the bill. I would also like to thank Mr. Darling and Mr. Lowe for their remarks. Nevertheless, by asking us not to support Bill C-216,

we are being asked to keep supply management in order to be able to use it in exchange for greater access.

Do you see this the same way I do, Mr. Lampron and Mr. Gobeil?

Mr. Pierre Lampron: That's pretty much what we hear all the time. That's why the bill is important.

Our MPs tell us not to worry, but we're always negotiating something. Every country defends its specific sectors; there's nothing new about it and it doesn't really prevent negotiations from continuing.

Given that we conceded parts of the market under supply management in the last agreements, it's very important to take concrete action to maintain supply management.

I'll ask Mr. Gobeil to expand upon my answer.

Mr. Daniel Gobeil: Thank you, Mr. Lampron.

Thank you, Mr. Perron, for your question.

Clearly, we are not against trade. The objective of our supply management model is to respond to Canadian market needs.

We noticed this when large quotas of cheese were allowed under CETA. It amounted to 17,500 tonnes of European cheese, or 17.7 million kilograms, that would enter Canada with top revenue for dairy farms.

Other agri-food sectors were promised access to European Union markets and consumers. However, many farms are still waiting for the impact of these trade agreements to kick in, because additional tariff barriers were imposed to impede trade somewhat.

That's why we have some reservations about allowing concessions without assurances for other sectors.

● (1220)

Mr. Yves Perron: Thank you.

So that we can properly understand the situation, could you, Mr. Gobeil, explain how the supply management system could stop working at some point if we were to continue to allow market shares. Because quantities produced, prices and shipments are all controlled.

If Bill C-216 is not adopted, and if there is another agreement in two or three years, and concessions are made again, what would likely happen?

Mr. Daniel Gobeil: We heard a lot of entrepreneurs talk about that this morning.

In our case, because our sector is under supply management, our businesses grow in accordance with Canadian requirements. However, for two, three or four years now, all opportunities for growth have gone to foreign countries under trade agreements that meet consumer needs.

Consequently, investment in farms is becoming increasingly difficult. Why invest in farms when uncertainty reigns in the countryside? The situation is worrisome because all the growth that might have been possible now and for another several years has been ceded to foreign countries.

Mr. Yves Perron: To conclude, could you tell me briefly what you think about politicians who promise to protect supply management, but who hesitate to support a bill that would make this obligation legally binding?

[English]

The Chair: Please give a brief answer, sir.

[Translation]

Mr. Daniel Gobeil: Right.

We found that there was solid support from several political parties. Of course, we continue to hear lots of promises during election campaigns. This bill would certainly strengthen the parties' commitments to Canada's dairy farmers.

Mr. Yves Perron: Thank you very much.

[English]

The Chair: Thank you very much. We'll go to Mr. Blaikie for five minutes.

Mr. Daniel Blaikie: Thank you very much.

At one point in Mr. Darling's testimony, I believe I heard him say that Bill C-216 would be in breach of or would violate some existing trade rules. It caught me by surprise only because I'm not aware of any rules that would prohibit a country from determining in advance what's on or off the table in terms of a trade negotiation.

Could you confirm whether I heard him right in that respect, and if so, could he highlight where that rule is? Is it at the WTO? Could you give us a little more clarity about that rule?

Ms. Claire Citeau: Perhaps I can jump in here.

Mr. Dan Darling: Yes, Claire.

Ms. Claire Citeau: I'm sorry, Dan, but perhaps you will allow me to jump in here very quickly.

I just want to add the comment here that it would contradict trade negotiating principles.

Dan, please go ahead.

Mr. Dan Darling: That was going to be my answer to the question anyway. That's where it would contradict trade rules.

Mr. Daniel Blaikie: Is it a rule or a principle, and where would we find an enunciation of the principles that you're talking about?

Mr. Dan Darling: I guess it would be a principle. I can't answer that question fully right now...unless Claire can.

Ms. Claire Citeau: Perhaps the best people to answer those types of questions are the negotiators themselves, who are wheeling and dealing at the negotiating table, but essentially it's a matter of reciprocity and setting a precedent.

If you look at perhaps the TPP negotiations, I think there were some comments earlier today about this, when Japan entered the deal, right from the onset it wanted to exclude five agriculture prod-

ucts that are in Canada's offensive interests: beef, pork, grains, rice and sugar. There's no way Canada would have achieved a comprehensive agreement had Japan not agreed to put those products back on the table.

This is a matter of allowing negotiators and the government to have the ability to seek the best agreement for Canada.

• (1225)

Mr. Daniel Blaikie: I think it's important to note that the current government has said that under no circumstances would they cede any further market share in dairy. Therefore, in this case, the law wouldn't be doing anything that the government hasn't said it's already going to do at the negotiating table.

[Translation]

Mr. Taillon, in the meantime, do you know of any rules that the bill might violate. Is there any rule according to which the government or Parliament cannot deem in advance that a specified industry or management system cannot be subject to negotiation in a free-trade agreement?

Mr. Patrick Taillon: Is that question for me?

Mr. Daniel Blaikie: Yes, that's right.

Mr. Patrick Taillon: Okay.

Thank you, Mr. Blaikie, for the question. I'll try to answer it as clearly as possible.

There are no such rules. Parliament can give the executive a great deal of latitude, but it can also place limits on it. There is no rule that prevents Parliament from setting boundaries for negotiators from the Department of Foreign Affairs, Trade and Development. However, nothing is irreversible, meaning that a decision made by Parliament today to provide a number of protections can be undone by Parliament in the future. Parliament will always remain free to change a decision if required. That goes without saying.

My understanding of Bill C-216 is that it is a way of giving negotiators more leverage. Around the table, when other parties want to reach compromises that affect supply management, the negotiators will be able to clearly state that they are currently prohibited under Canadian law from doing so and that any move in that direction would require them to return to Canada's Parliament to obtain permission or to have the act amended.

Doing so would give back to Parliament the control over such matters that the executive now has. It injects some transparency, parliamentarianism and democracy into the process. If the bill is adopted, it will amount to a prohibition in principle, and any exception will require returning the matter to Parliament.

Mr. Daniel Blaikie: So, would it be fair to say—

[English]

The Chair: Thank you very much, Mr. Taillon.

Mr. Blaikie, I'm sorry, but your time is up.

To our witnesses, thank you for the very valuable information you've provided today. I'm sure you're going to monitor as the proceedings continue over the next few days as well.

Thank you to the witnesses and to my colleagues.

[Proceedings continue in camera]

We need to sign off and join the in camera session for the next half hour of our meeting.

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