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Chair: The Honourable Judy A. Sgro



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• (1300)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call the meeting to order.

This is meeting number 36 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 resuming its study of Bill C-216, an act to amend the Department of Foreign Affairs, Trade and Development Act with regard to supply management.

Today we have the pleasure to welcome officials from the Department of Agriculture and Agri-Food and from Global Affairs Canada.

From the Department of Agriculture and Agri-Food, we have Marie-Noëlle Desrochers, acting executive director, strategic trade policy division, and Aaron Fowler, chief agriculture negotiator and director general, trade agreements and negotiations.

From the Department of Foreign Affairs, Trade and Development, we have Doug Forsyth, director general, market access, and Kevin Thompson, executive director, market access and trade remedies law.

You are people who have been before the committee many times, so you're familiar faces to us.

Mr. Forsyth, you have the floor, please.

Mr. Doug Forsyth (Director General, Market Access, Department of Foreign Affairs, Trade and Development): Thank you, Madam Chair and honourable members. Thank you for the invitation to appear before the Standing Committee on International Trade on its review of Bill C-216.

The bill amends the Department of Foreign Affairs, Trade and Development Act so that the Government of Canada cannot make any commitment in an international treaty that would have the effect of increasing tariff rate quota volumes or reducing over-quota tariff rates for dairy products, poultry or eggs.

The intent of the bill is consistent with the long-standing Government of Canada policy to defend the integrity of Canada's supply management system.

I'd like to share with you some considerations regarding this proposed amendment to the departmental act.

First, by introducing specific policy objectives, proposed amendments would fundamentally change the nature of the departmental act. The act is an organizational statute that sets out, in general terms, the powers, duties and functions of the Minister of Foreign Affairs, the Minister of International Trade and the Minister of International Development.

It does not prescribe specific policy objectives. This way, the act sets up a framework that provides flexibility to the government of the day to implement its particular foreign, international trade and development policy without having to change the underlying legislation; thus, it accommodates the policy perspectives that different governments may bring to the management of foreign affairs over time.

As an example, in terms of international trade negotiations, paragraph 10.2(c) of the act provides that the Minister of Foreign Affairs is to conduct and manage international negotiations as they relate to Canada. Section 13 of the act elaborates on the specific duties of the Minister of International Trade, which include improving the access of Canadian products and services to external markets through trade negotiations.

Second, specific foreign international trade and development policy objectives, including how to address sectoral interests or specific constituent concerns, are generally established elsewhere. For international trade negotiations, negotiating objectives and how to accommodate specific sectoral interests are set in the negotiating mandates that are approved by cabinet. This allows the government of the day to develop specific policy objectives in response to evolving international circumstances.

Third, Parliament has the final say over the outcome of any international trade negotiations. Parliament ultimately decides whether or not to pass the legislation necessary to implement any free trade agreement. Additionally, moving forward, trade agreements will be subject to even more parliamentary oversight. The updated policy on tabling of treaties strengthens transparency of trade negotiations and provides additional opportunities for members of Parliament to review the objectives and economic merits of new free trade agreements. The new policy includes the tabling of a notice of intent to enter into negotiations towards a new FTA, objectives for negotiations and, finally, an economic impact assessment.

Fourth, amendment of the departmental act in the way in which Bill C-216 proposes carries risks. By limiting Canada's ability to engage on these issues, this amendment would invite negotiating partners to narrow the scope of their own potential commitments, taking issues off the table from the outset of negotiations, likely in the areas of commercial interest to Canada. This narrows possible outcomes, precludes certain compromises and makes it harder to reach an agreement.

Addressing the interest of any specific sector in the act would set a precedent that could lead to demands for additional amendments to reflect other foreign and trade policy objectives, including sectoral interests, further constraining the government's ability to negotiate and sign international trade agreements and, more generally, to manage Canada's international relations.

Lastly, maintaining the nature of the departmental act unchanged does not affect the government's policy to defend the integrity of Canada's supply management system, nor the ability of negotiators to defend this position at the negotiating table.

The government has made public commitments not to make further concessions on supply-managed products in future trade negotiations. In fact, Canada has been able to successfully conclude 15 trade agreements that cover 51 countries while preserving Canada's supply management system, including its three pillars: production control, pricing mechanisms and import controls.

Most recently, the Canada-United Kingdom Trade Continuity Agreement fully protects Canada's dairy, poultry and egg sectors and provides no new incremental market access for cheese or any other supply-managed product. Where new market access has been provided, specifically and exclusively in the Canada-European Union Comprehensive Economic and Trade Agreement, CETA; the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP; and the Canada-United States-Mexico Agreement, CUSMA, the access was deemed necessary to include an agreement that was in Canada's interest.

• (1305)

While new access was provided in those agreements, the supply management system and its three pillars were maintained. These outcomes were part of the overall balance of concessions through which Canada maintained preferential market access to the United States and secured new access to the European Union, Japan, Vietnam and other key markets.

In conclusion, while the spirit of Bill C-216 is consistent with the government's policy of defending the integrity of Canada's supply management system, amending the Department of Foreign Affairs, Trade and Development Act as proposed by the bill would change its nature and create risks.

Along with my colleagues here today, I welcome your questions. Thank you very much.

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

Ms. Desrochers, do you have opening remarks? You do not.

All right, we'll go to our committee members.

Welcome, by the way, to Mr. Hardie and Mr. Berthold. We're glad to have you joining the international trade committee today.

Mr. Aboultaif, go ahead for six minutes, please.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you, Mr. Forsyth and other witnesses.

Thank you, Madam Chair.

With different markets and different conditions when you negotiate trade deals, you have to have flexibility and you have to have options in order to be able to achieve agreements. I know that Bill C-216 is aiming to somehow further protect supply management or preserve it, as Mr. Forsyth just said, but in the meantime, it carries risk, which Mr. Forsyth also stated in his opening remarks.

What I'm interested in is this. Although we've signed so many trade agreements without having to really jeopardize the supply management system and we have successfully done that throughout its history—and we have so many trade agreements that I don't have to mention it at the moment—the question is, are there any live examples out there that can advise us on what the consequences will be in the long run if Bill C-216 is implemented, since we know that we will lose that flexibility and we will be limiting our team of negotiators on the road when they try to achieve trade agreements with countries in the world?

• (1310)

Mr. Doug Forsyth: Thank you for the question.

Madam Chair, I will start, and perhaps my colleagues will join in afterwards.

From a trade negotiation perspective, Canada has a long history in negotiating free trade agreements and has been at the forefront of negotiating free trade agreements for the last 25 or 30 years.

I would just note off the top that our supply management system, as you've indicated, has not stopped us or hampered us from concluding any trade agreements, but I think what is certainly possible is that the wording proposed for this bill will give trade negotiating partners pause with respect to wanting to engage with Canada. From a trade negotiator's perspective, when we start a negotiation, we like to start with the full possibility of access in the back of our minds, whether or not that's where we end up. It's rarely the case that you would see 100% access in any free trade agreement, but you like to at least start with that notion in mind.

As you go through a negotiation with your various partners, you find that interests are enunciated, elaborated and narrowed down. You understand what's in the art of the possible, but you like to start as wide as possible when you do launch those negotiations. When you start from a very narrow band of possibilities and then that gets narrowed, the scope of the negotiations and the scope of the agreement is very much smaller than you would have seen otherwise.

If we were to end up with this bill as it is written, I think very much that we would start with a much smaller scope of negotiations with various partners. It wouldn't be unusual for them to say "That's fine. Canada has taken these issues right out of play. We will take issues that are of interest to Canada right out of play." Then you're talking about negotiating from a smaller pie, as it were.

I'll turn it over to my colleague from AAFC to see if he has anything to add.

Mr. Aaron Fowler (Chief Agriculture Negotiator and Director General, Trade Agreements and Negotiations, Department of Agriculture and Agri-Food): Thank you very much. Thank you, Chair.

I would certainly agree with everything Doug has said so far and associate myself with his response.

I believe the question was whether there are examples of similar measures being imposed by some of our trading partners around the world and what the consequences of those might be. I have to say I am not aware of any legislative prohibition on our trading partners' ability to discuss an issue.

Were such a prohibition in place, I feel that depending on the level of commercial interest that Canada had in the matter that was covered by such a prohibition, we would use the exploratory stage of our trade negotiations to indicate that we see this as an important issue that needs to be discussed in the context of the negotiation.

Free trade agreements are really about changing the legislative and regulatory regime that our trading partners have in place in order to create commercial opportunities for Canadian exporters, so I suspect that were our interests sufficiently significant for us to want to discuss that issue in the negotiations, we would make that clear at the exploratory stage and base our decision on whether to move forward in the negotiations on our partners' indication of their capacity to have discussions in that area.

On the specific question of whether there are examples I could point to, I have to say offhand that I can't think of any similar prohibitions that are in place.

• (1315)

Mr. Ziad Aboultaif: Thank you.

The Chair: Keep it very short, Mr. Aboultaif.

Mr. Ziad Aboultaif: Okay.

There are other sectors. We offer a wide variety of products and solutions to the world. What would you see as the reaction of other sectors if something like Bill C-216 went forward? What would you see as the reaction as far as opportunities on the world stage with trade go?

Mr. Doug Forsyth: Do you mean reaction from Canadian stakeholders, or from—

Mr. Ziad Aboultaif: Yes, I mean Canadian stakeholders.

Mr. Doug Forsyth: Honestly, I think if this did go forward, the reaction we would see would be other groups seeking to have their concerns, their issues, inserted into the departmental act as well.

Mr. Ziad Aboultaif: Thank you.

The Chair: Thank you very much.

We will move to Ms. Bendayan for six minutes. Go ahead, please.

[*Translation*]

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

I thank the witnesses, of course, but also the members who have joined us today for this important meeting. I particularly thank Mr. Plamondon for introducing this bill.

Before beginning, I would like to stress the importance of the supply management system here in Quebec and everywhere in Canada. It is important not only to our producers, but also to our food security. We must continue to be open to the world and encourage international trade while at the same time protecting this supply management system. I believe we have shown that this was entirely possible.

We have continually renewed that commitment. We upheld it in concrete terms in the new trade agreement with the United Kingdom, which does not grant any additional access, as you know. I have repeatedly said in the House: not one ounce more of cheese will enter the country under that agreement.

[*English*]

Perhaps, since I am addressing you, Mr. Forsyth, I will switch to English.

Mr. Forsyth, could you explain to us whether, in your view, the adoption of this bill is necessary for the government to continue to defend Canada's supply management system?

Mr. Doug Forsyth: As I mentioned in my opening statement, since supply management was introduced, which was well over 50 years ago, various governments of various stripes have been very clear about defending the supply management system and ensuring that everyone understands how well it works for producers and farmers all across Canada.

I think the government has done a very good job of promoting and ensuring that all of our trading partners understand what supply management is. It's certainly part and parcel of all trade negotiators' mandates that we understand it well, that our trading partners understand it well, and that throughout the world, whether bilaterally or multilaterally—for example, at the World Trade Organization—it is well known what Canada's policy is.

To answer your question as to whether it would have any effect, I think that, as I said, the policy is well known and well understood, so I am not sure that there would be any.

Ms. Rachel Bendayan: Sir, if I may follow up, I believe you mentioned in your introduction, and I have certainly heard from legal experts within government, that policy objectives are not normally found within the departmental act. This is not the usual instrument to include policy objectives like the one regarding supply management. Can you perhaps give us examples or let us know where these types of important policy objectives should be found, if not in this particular act?

Mr. Doug Forsyth: I think that assessment is correct. It would be unusual to find policy-prescriptive issues like this in a departmental act. I'm not aware of any departmental acts that include them.

I think that where we see policy prescriptions like this is in the words enunciated from the government. It's clear that this is a Government of Canada position, a policy position. You find it in speeches. You find it in departmental legislation, for example, at Agriculture and Agri-Food Canada, and you find it in various places like that. I think it would be unusual to put something like this within the context of the departmental act.

I'll just ask my colleague from Agriculture Canada if he has anything more to add.

• (1320)

Mr. Aaron Fowler: No, I would agree with the answer. I would say that generally this type of policy constraint would be found in the negotiating mandates we receive that inform our engagement with our negotiating partners. I would endorse the answer that Mr. Forsyth provided.

Ms. Rachel Bendayan: Thank you, Madam Chair.

Just as a quick follow-up, Mr. Forsyth and Mr. Fowler, you referred to a negotiating mandate. Mr. Forsyth, you were at the negotiating table with the United Kingdom. Did you receive a mandate on behalf of our government not to hinder supply management in the negotiations that you undertook with the United Kingdom?

Mr. Doug Forsyth: Yes, absolutely. In fact, the mandate that we received and that we put forward through the Minister of International Trade and that was approved by cabinet included words to the effect that there would be no incremental market access for supply-managed products. Words to that effect apply in every negotiating mandate that I'm aware of when we launch free trade negotiations. They are words to live by, I think—

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

I'm sorry, Mr. Perron; I had not acknowledged you earlier. I'm glad to see that you're joining our committee today.

We'll go on to Monsieur Savard-Tremblay, please.

[*Translation*]

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

Greetings to all the witnesses.

I will yield my speaking time to Mr. Perron for this first round of questions.

Mr. Yves Perron (Berthier—Maskinongé, BQ): Madam Chair, thank you for your greetings. It is always a pleasure to be with you.

Thanks also to Mr. Savard-Tremblay.

I will address Mr. Forsyth first.

In your opening statement, you acknowledged that this bill was consistent with Canada's long-standing policy and its intention of protecting supply management.

Did I hear you correctly?

[*English*]

Mr. Doug Forsyth: That's correct.

[*Translation*]

Mr. Yves Perron: So it is part of a continuing process and is consistent with the intentions expressed orally. I believe this bill puts the election promises into concrete form.

You said that this might carry risks in the negotiations.

Whenever we enter into negotiations with a country for a free trade agreement, is there not always precisely such a risk, given that we need to be vigilant and protect our key sectors?

[*English*]

Mr. Doug Forsyth: Yes, any time we enter into negotiation, we would have both offensive and defensive interests, and on the defensive interests side, it's absolutely about protecting and defending key sectors like, for example, supply-managed sectors.

[*Translation*]

Mr. Yves Perron: Thank you very much, Mr. Forsyth.

Some opponents of the bill argue that a change would not be prevented, because any act can be amended at a later date. So a government that had its negotiating mandate limited could always come back to Parliament to change it.

Is that correct?

[*English*]

Mr. Doug Forsyth: Thank you for the question.

Yes, that is my understanding. If this bill were enacted, if they wanted to make changes to it, they could do that.

[*Translation*]

Mr. Yves Perron: Perfect, thank you.

If I understand correctly, a government that came after and wanted to make concessions would have to assume the political responsibility and have the courage to include it in its mandate and seek the permission of the House first.

So the power is delegated to the members of the House. That is the aspect that I find interesting. I don't think it conflicts with our interests.

There have been several references to the agreement with Great Britain. I would like to point out specifically that the market shares that had been allocated to Europe had also been allocated to Great Britain. It was obvious that we could not have expected new concessions on its part. Unfortunately, the agreement signed with Great Britain is temporary. There is therefore still a risk of fresh demands.

I would like to bring this point to the attention of the committee members, because I think it is important.

You spoke earlier of the negotiating mandates. When a representative of the government participates in negotiations, they have a mandate from the government. Would the law proposed in Bill C-216 not simply be part of the mandate? Would it not impose a limit to prevent the representatives from touching supply management?

Would that not have the same impact?

There seems to be a desire to dramatize the fact that it is a law, but it could simply be set out in the government's instructions. On the other hand, if it is in a law, we are sure it will be there, regardless of what government is in office.

• (1325)

[*English*]

Mr. Doug Forsyth: If this bill were enacted, I would not see a need for it to be in the negotiating mandate. I mean, you would probably put it in anyway, but it would be to remind negotiators of what is in the legislation. However, I think it would be clear—

[*Translation*]

Mr. Yves Perron: You agree with me that it would be more or less equivalent, right?

It is simply defining a future government's negotiating mandate in advance, no matter what party is in power.

[*English*]

Mr. Doug Forsyth: I think all governments of the day, as I mentioned in my earlier answer, have supported supply management since its inception. It has been part and parcel of Canada's trade negotiations and Canada's agriculture policy. I don't think that's anything new.

[*Translation*]

Mr. Yves Perron: Thank you. I will move on to my next question.

You say that all governments have expressed their support for supply management. That's true, but in the recent agreements, all governments, regardless of stripe, have made concessions, except in the case of the agreement with Great Britain, obviously, that we spoke about earlier.

So the goal of this bill is to cement that.

Someone cited the danger that other groups will be asking to have their interests entrenched in law. Is that not a slight exaggeration? We know that the other groups are not governed by supply management.

It must be understood that if we grant more concessions, then at some point, the supply management system will no longer be able to function. In order for a supply management system to function, supply has to be controlled. That is the very foundation of the system.

I would like to hear your thoughts on that subject.

I am putting the question to Mr. Fowler from the Department of Agriculture.

[*English*]

The Chair: Mr. Fowler, could we could get a somewhat short answer?

Mr. Aaron Fowler: I will endeavour to do so, Chair.

It is true that supply management rests upon three legs. One is on import controls, because we need to know the volume of product that's entering the country in these sectors in order for us to do the domestic administration and allocation of the system to ensure it continues to operate. It is important that we preserve import controls to ensure the smooth functioning of supply management.

I would say, though, similarly—

[*Translation*]

Mr. Yves Perron: Thank you very much.

[*English*]

The Chair: Thank you, Mr. Fowler.

We will go on to Mr. Blaikie for six minutes, please.

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

I suppose I might start by expressing some sympathy for Mr. Forsyth, who has been sent here to defend the government's right to ultimately betray supply-managed producers in trade negotiations on what I think are frankly some specious grounds.

I don't think the bill was presented in ignorance of the fact that Canada's trade negotiating teams receive mandates from cabinet, but one has to wonder—and perhaps you could answer for the committee—whether the negotiating mandates for either CETA, the CPTPP or CUSMA included a prohibition on conceding market access in supply-managed sectors.

Mr. Doug Forsyth: Thank you for the question. Maybe I can answer it in a more general way, given that the mandates are for cabinet purposes.

I think it's very clear that each trade negotiator understands well his or her mandate. Whether it was under the CETA or CPTPP or CUSMA, that's where we started from. As I mentioned in my opening remarks, it was deemed necessary to reach agreement on those three key trade agreements, and those decisions were not made lightly. Those decisions were not made by just the chief trade negotiator at the time; they were done in close consultation with the government of the day, including the minister and beyond. Those were important decisions. They were made in the economic interest of Canada, and they were not made lightly.

• (1330)

Mr. Daniel Blaikie: That's fair enough, although I think that the concern of supply-managed producers has less to do with the feelings of government decision-makers in respect of their decision to betray them and more to do with the substantive consequences for their industry.

On that point, those three agreements were clearly failures to protect the supply-managed sector in a way that the government has indicated it would like to or that it would. It seems to me that there is a stark difference between legislation that takes making those concessions out of the purview of government and a mandate that restricts the government but that the government can change from day to day.

In your opening remarks, you said that Parliament has the ultimate say because it can pass or decline to pass the legislation that enacts these agreements, but I think you also know—and you can correct me if I'm wrong—that by the time enabling legislation comes to Parliament, the deal is already signed. If Parliament declined to pass enabling legislation for those agreements, Canada at that point would be in default of very serious international commitments already made on behalf of Canada by the government. Is that not true?

Mr. Doug Forsyth: I would say it's mostly true, but I think it is Parliament that votes on the final text, and if Parliament deemed it necessary to make those changes, we would have to return to the negotiating table based on that, absolutely.

Mr. Daniel Blaikie: But to be clear, typically Parliament doesn't actually get to vote on the text of the agreement except in appendices to the enabling legislation, perhaps, and Parliament can't actually alter the wording of those agreements. It can change the wording of the enabling legislation, but it can't in fact alter the wording of the agreements. Is that not true?

Mr. Doug Forsyth: That is true. That's correct.

Mr. Daniel Blaikie: I think there's a bit of a deception in saying that Parliament has the final say when the agreement has already been signed, sealed and delivered. What Parliament is studying and making decisions about is how to enact that agreement within Canadian law, not whether to enact that agreement within Canadian law. That is why I began my remarks by expressing some sympathy for your having to be the ambassador of those arguments, because I don't think they really hit the nail on the head, frankly.

I think what we have here is a dispute. While I always appreciate the kind of information that officials can provide in the context of a debate, what we have here is actually a political debate. It is first and foremost about the role of supply-managed industry within Canada and the extent to which there is and ought to be political will to properly defend it within trade agreements, notwithstanding what appears from time to time in the mandate that can be changed by a particular government.

We also have a debate—I think a good one and an appropriate one, but not one that can be solved by technical expertise—about the role of the legislature in determining what kinds of international commitments Canada is going to undertake in respect of trade. This bill promotes a view that would have the legislature take a far more active role in determining what governments can and cannot do within a trade negotiation.

I've been clear many times before that this is something I support, so I don't agree with so-called principled objections to the legislature weighing in on these things. I think the treatment of the supply-managed sector in the last number of trade agreements—I'm thinking particularly of the three I mentioned earlier—shows there

is a need for the legislature to get more involved, because we clearly can't trust the word of government, even when it has said that this is a priority for them. Even on the Canada-U.K. trade deal, we can talk about how there was no market access ceded under that agreement, but that's because there continues to be temporary market access for U.K. cheese makers under existing agreements. That's going to expire. In fact, the expiration of those agreements and the U.K.'s desire for Canadian market share has been cited by the government as a reason that the U.K. would be interested in coming to the table to negotiate a future agreement, so—

• (1335)

The Chair: Thank you very much, Mr. Blaikie. I'm sorry to cut you off, but your time is up.

We have Mr. Berthold for five minutes, please.

[*Translation*]

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

I am very grateful to the people from the departments for being with us today.

Mr. Forsyth, you said just now that the mandates assigned to the negotiators concerning the protection of supply management are reflected well in the intent of Bill C-216.

Can you explain what happened in the case of the Canada—United States—Mexico Agreement, CUSMA, not just so that we would concede another market to the Americans, but also so that we would permit them to limit Canadian exports, in particular for powdered milk?

How is it that at some point, despite those intentions on the government's part, the negotiating teams go even further than concessions that are not provided in Bill C-216, as we have it before us today?

[*English*]

Mr. Doug Forsyth: Maybe I can start and then turn to my colleague from Agriculture and Agri-Food Canada.

As I mentioned in my remarks, the intent of the bill is consistent with the long-standing Government of Canada policy to defend the integrity of the system. As I mentioned in my previous answer, whether it was with respect to the CUSMA negotiations, the TPP negotiations, the CPTPP negotiations or the CETA negotiations, it was deemed necessary by the government of the day to provide some concessions to our various trading partners in order to finalize each free trade agreement. It was not—

[*Translation*]

Mr. Luc Berthold: Excuse me for interrupting you, Mr. Forsyth.

What happened for those concessions to have been made at the last minute? We have seen that this was done at the very end. Did we not draw attention to supply management by saying at the outset that there would be no concessions? Is that not one of the points on which Canada had to give in, at the very end of the negotiations?

[*English*]

Mr. Doug Forsyth: Thank you for the clarification.

In any negotiation, whether it's a trade negotiation or anything, the tough issues are really left until the very end. Nobody wants to concede any of the difficult issues up front, because your trading partner will just continue to ask for more. It was at the very end that these issues did get decided under the CUSMA. Again, those decisions were not taken lightly at all.

Maybe I'll turn to my colleague from Agriculture and Agri-Food Canada to follow up on that.

[*Translation*]

Mr. Luc Berthold: Mr. Fowler, to continue in the same vein, when we decide to make concessions like that one at the last minute, there are major repercussions for a sector. This was a sector that the Americans had targeted.

When we decide to protect a sector, if we keep our position like a card up our sleeve, are we not running less risk of having to give in at the end?

[*English*]

Mr. Aaron Fowler: First of all, I agree that difficult issues are often, if not always, resolved at the end of the trade negotiation. While this issue was resolved at the end of the trade negotiations, the plan management and access in particular on dairy was a feature of the negotiations throughout. The position of the United States, until well into September 2018, was that Canada should take on commitments that would have resulted in the eventual dismantlement of the supply management system in Canada. We did not accept the commitments that the United States wanted us to make. The provisions that applied to dairy that were in the CUSMA at the end were provisions that Canada's negotiators and government felt were warranted in light of the overall benefits and balance of the agreement and what it offered to the Canadian economy.

While it may have appeared to be late in the game, I assure you that the supply management sector and their representatives met with us daily in Washington as well as virtually. I would be surprised if the outcome of those negotiations, albeit late in the negotiating process, came as a huge surprise to those industries.

• (1340)

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

Mr. Dhaliwal, you have five minutes.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Thank you, Madam Chair.

Madam Chair, I would like to welcome all the presenters and my dear friends and colleagues. In particular, I know I missed saying my good morning from beautiful British Columbia to Christine, our clerk.

Madam Chair, contrary to what my dear friend Mr. Blaikie said—that Mr. Forsyth is here to defend the government—it's my understanding that he's here to provide professional non-partisan advice to the committee members on this particular act, which is Bill C-216.

My question is for Mr. Forsyth. He mentioned numerous times that there are some risks involved. One of them, he mentioned, is a

narrow outcome. I would like to ask him to explain or elaborate on those risks and the potential impacts.

Mr. Doug Forsyth: I'd be happy to elaborate on some of those risks and what would happen in a trade negotiation if one were to be negotiating with not the full basket of items on the table. I highlighted it in one of my earlier answers, but I'm happy to flag it again.

I think that as a trade negotiator you like to start the negotiation with as many items on the table as possible. It does potentially allow for trade-offs and allows for a broad discussion with your trading partner in order to understand what is within in the art of the possible.

It is incumbent on us as trade negotiators to make sure that our trading partners understand our key defensive interests and what our red lines are and what things we cannot do. As I've said, throughout my negotiating career, it's been clear that concessions made in the supply management sector are red lines. That is what was in my mandate for the Canada-UK TCA and that was what was respected.

If we were to start from the position that we would not be dealing with 100% of the items that we would negotiate on, it does risk having an agreement that's not necessarily completely beneficial to Canadian exporters and producers and it does risk being an agreement that does not necessarily provide the full economic benefits to Canada that one might have expected.

We have not faced that yet to date, but it is possible that if we were to go down the path provided in Bill C-216, that is in fact what we would do. It would be quite likely that our trading partners would take off the table something of interest to Canadian exporters and producers, and then we would be faced with the situation of negotiating an agreement that might not be as beneficial to Canada as it could be.

Maybe I'll turn to my colleague from Agriculture Canada to see if he'd like to add anything.

Mr. Aaron Fowler: Thank you very much.

No, I fully agree [*Technical difficulty—Editor*] trade negotiation has reached what we call a balance of commitments or a balance of concessions or a commensurate level of ambition with your trading partner. To the extent there are issues that are of interest [*Technical difficulty—Editor*] that we're not in a position to discuss, the reasonable conclusion would be that the overall level of ambition of the agreement would necessarily be diminished as a result of that position.

Mr. Sukh Dhaliwal: Madam Chair, it's also mentioned that in introducing specific policy objectives, the proposed amendments wouldn't fundamentally change the nature of the departmental act. I would like to hear an elaboration on that particular issue as well, please.

The Chair: Could we have a brief answer, please?

Mr. Doug Forsyth: Sure. Thank you, Madam Chair.

If you look at the act itself, it really does set out.... It is an organizational statute that sets out in general terms what the powers and duties and functions are for the ministers. It does not have any specific policies related to what the Minister of International Trade, the Minister of International Development or the Minister of Foreign Affairs ought to be doing. It doesn't elaborate on any government policies of the day. It's a general act that sets out the terms and conditions, if you will, for the department and for the ministers and the deputy ministers. It's not policy—

• (1345)

The Chair: Thank you, Mr. Forsyth.

Mr. Savard-Tremblay, you have two and a half minutes.

[*Translation*]

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

We know that in the United States, Congress can give a mandate, because it has authority over treaties. It is in the constitution. In Europe, also, it is the parliament that gives the mandates. Here, this is the Crown's responsibility, so it is the government that gives the mandates, as was observed earlier. This is a fair bit less democratic and less transparent.

In the United States, despite the constitution and the fact that Congress gives the mandates before the negotiations, some sectors are nonetheless protected by various laws, such as the maritime sector, government procurement and sugar. There are laws that prohibit touching those sectors in the negotiations.

You have had an opportunity to negotiate with the United States in recent years. My question is very simple. Around the table, did you feel that you had in front of you negotiating partners who were weakened, who had lost their bargaining power, and were condemned to lose in advance?

[*English*]

Mr. Doug Forsyth: Madam Chair, maybe I'll start and then pass it over to my colleague from Agriculture Canada.

Canada and the United States have different systems by which we get our mandate out and they get their mandate out. I would just note off the top, in terms of Canada vis-à-vis the United States, how the review and oversight of the trade agreements takes place before they are launched. I did note them in my remarks, but I'm happy to highlight them once again.

There is the updated policy on tabling of treaties in Parliament, which includes 90 days in advance of the negotiations of a notice of intent to enter—

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Excuse me, but I would like to clarify my question.

If we leave aside the different procedures for assigning negotiating mandates, did the fact that the American laws rule out certain sectors give you an advantage? Did you think that this was perfect, that you were going to have perfect losers in front of you, that you were going to take jump at the opportunity?

[*English*]

The Chair: I'm sorry; we need a very brief answer, Mr. Forsyth.

Mr. Doug Forsyth: Maybe I'll turn to my colleague from Agriculture Canada for that answer.

The Chair: Maybe we better—

Mr. Aaron Fowler: I apologize, Chair; I'm not sure that I have a lot to add.

I think every country has its own internal processes that allow for consultation between legislatures, governments and negotiators at the table. I'm not sure I understood the question as to whether the U.S. system is better or different from ours.

The Chair: Thank you very much.

We will go on to Mr. Blaikie for two and a half minutes, please.

Mr. Daniel Blaikie: Thank you, Madam Chair.

As I said earlier, I think the issues in the legislation are pretty clear-cut. It seems to me that committee members have a pretty good sense of where they're at on that.

Madam Speaker, I would simply move that we consider the bill to have passed clause-by-clause consideration and report it back to the House unamended so that the debate can continue on the floor of the House of Commons and the bill can make some more progress in the life of this Parliament.

The Chair: Mr. Blaikie, we have our officials here today, and that's the plan for today's meeting. On Monday we will deal with clause-by-clause study. That's the current plan. I suggest we continue with that.

There are members who still have questions and concerns that they have indicated they want answered.

Mr. Daniel Blaikie: I hear that, Madam Chair, but I'm moving the motion nevertheless. I think it would be a nice way to move on and perhaps use our time in other ways on Monday.

I'm satisfied that from the technical point of view, all the questions have been answered. I think it's really just a matter of committee members deciding whether they think the bill should proceed back to the House or not.

The Chair: If you're moving it in the form of a motion, with your time, Mr. Blaikie, would you make it clear?

Let me turn the clock off. Would you make it clear as to what you're suggesting? Then, we'll have to go....

Madam Clerk, is Mr. Blaikie's motion in order?

• (1350)

The Clerk of the Committee (Ms. Christine Lafrance): Madam Chair, I think so, but I would appreciate it if he could repeat it very clearly.

Mr. Daniel Blaikie: Sure. I move "that the bill be deemed to have passed clause-by-clause and be reported back to the House without amendment."

The Chair: All right. Thank you very much, Mr. Blaikie.

Go ahead, Ms. Gray.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair.

Based on what was brought forth by Mr. Savard-Tremblay, we agreed, as a committee, what the timeline was going to be. We designated certain days and what we would be doing on those days. We, as a committee, all voted for that.

I have questions to ask. I'm sure my other colleagues have questions to ask. I'd like to continue with the agreed timeline that we all voted on recently that sets out the work the committee would be doing each day.

Mr. Daniel Blaikie: Sorry, Madam Chair, you are on mute.

Mr. Chandra Arya (Nepean, Lib.): Madam Chair, you are muted. I guess that you're asking me to speak.

The Chair: Yes, I am. Pretty soon it will be hand signals for all of us.

Mr. Chandra Arya: Madam Chair, I have not asked questions. I still have questions to ask. Some other members have maybe had their opportunity to ask questions to these officials and to get the answers they need, but I strongly object that my limited time is being curtailed.

The Chair: Thank you.

Go ahead, Mr. Savard-Tremblay.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: What I proposed was to set the dates in question, because that would be a lesser evil.

As you know, I proposed that we make this study the priority, as is ordinarily the case for a bill. This is June, and we passed the bill at second reading in March. This kind of time frame seems somewhat unusual to me. The committee has put an enormous effort into not making any effort.

I am therefore going to vote in favour of Mr. Blaikie's motion.

[English]

The Chair: Thank you, Mr. Savard-Tremblay.

Ms. Bendayan is next.

[Translation]

Ms. Rachel Bendayan: I simply want to clarify the situation.

With all due respect, Mr. Savard-Tremblay, I tried to move the study of Bill C-216 forward. Then there was a discussion about the forestry industry and the possibility of holding an emergency debate on other equally important questions, I agree. Certainly not all of the committee members didn't want to have this discussion earlier.

I do not share Mr. Blaikie's opinion, given that some committee members still have questions to ask, but I will obviously respect the decision that the committee members make.

[English]

The Chair: Thank you, Ms. Bendayan.

Go ahead, Mr. Lobb.

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

If Mr. Blaikie's motion is defeated, does the meeting on Monday still go on in regard to Mr. Savard-Tremblay's Bill C-216? If it's defeated here, is that the end of it, and then we go to a new topic on Monday? If that's the case, I can't imagine that Mr. Savard-Tremblay wants that to happen.

I'd like a clarification on what happens on Monday.

The Chair: Thank you, Mr. Lobb. I believe if Mr. Blaikie's motion is defeated, we will continue the meeting today and Monday.

Madam Clerk, is that correct?

The Clerk: That's exactly what I'm checking right now. I will need maybe two minutes to make sure.

The Chair: All right.

We will suspend for two minutes.

• (1350) _____ (Pause) _____

• (1400)

The Chair: Committee members, this is a bit of an unusual motion, and the clerk needs a bit more time to get clarification. I'm going to suggest that we continue on with our speakers list until the clerk clarifies Mr. Blaikie's motion.

Mr. Aboultaif, you had your hand up before I suspended the meeting.

Mr. Ziad Aboultaif: In light of this development, I'm okay. Please continue.

The Chair: Thank you.

Mr. Blaikie, you have 53 seconds left.

Mr. Daniel Blaikie: Thank you, Madam Chair.

I have a couple of quick notes, in that case. I'm fine waiting for the advice of the clerk on how to proceed with the motion. Although I'm not asking for extra time in this case, I think that normally when a member moves a motion, once the motion is moved, it doesn't count against the member's time.

As I say, I'm satisfied that we've learned what we need to learn from officials. I don't think that the question here hinges on any technical answers that they might provide. I think this is a political question and a question about the role of the legislature in determining trade policy.

I'm happy to cede the remainder of my time, which I take to be approximately two minutes.

The Chair: Thank you, Mr. Blaikie.

We'll go to Mr. Lobb for five minutes, then.

Mr. Ben Lobb: Thank you, Madam Chair.

The first question I have is for Mr. Forsyth.

Again, thank you for appearing before committee. I think you've been in the lead for most appearances since I've been on the committee—maybe you and the minister—so congratulations on being available.

When we say that we can't ever say we're not going to put certain items forward at the beginning of the trade negotiation, I understand the sentiment, but I'm curious that when we were doing the USMCA deal, softwood lumber never made its way on there and buy America really never got resolved either.

How does that happen? I'm not in the inner circle on this stuff, so how do we make a statement like that and then never get softwood or buy America dealt with?

Mr. Doug Forsyth: I wasn't directly involved with the broader Canada-U.S.-Mexico negotiation at that time, but my understanding is that we certainly did start with the broadest possible negotiating objectives, including trying to deal with softwood lumber in some way, shape or form, as well as trying to deal with trying to negotiate a government procurement chapter in relation to the buy America provisions. It was clear, as we started to narrow down the issues, that the United States would not engage on either of those issues, so they were put aside as we reached to—

Mr. Ben Lobb: Could I ask for one distinction on that?

I don't doubt we put it on the table and I don't know if you're prepared to say this publicly, but I don't think Donald Trump and his negotiators put buy America and softwood lumber on the table. Are you saying that they put them on the table in the negotiations, or did we ask for it in the negotiations?

Mr. Doug Forsyth: Thank you for the clarification.

No, what I'm saying, in fact, is that they were part and parcel of the broader dynamics of the negotiation. As I said, I wasn't there, so I can't say specifically that the United States ever said “no softwood lumber”. I'm saying that when we started, we started with 100% of the issues on the table and then narrowed them down. I think it became clear as time went on that the Government of the United States did not want to discuss government procurement at all, nor deal with softwood lumber in the context of the USMCA Canada-U.S. negotiation.

• (1405)

Mr. Ben Lobb: Humour me on this one. I'm sure I've asked you this one before.

In the CPTPP, if we're going to start negotiations again with the U.S. and with the U.K. in regard to access to supply management, how do you start the negotiations? I'm sure you've already talked to the dairy farmers and the chicken farmers and all that. We're not going to grant any new access to the United States or the U.K., so how do you do that when you go into it? How are you going to make that happen? It seems to me as though we're starting a negotiation by saying they're not getting any new access when we start this renegotiation of the CPTPP.

Mr. Doug Forsyth: The CPTPP, as you folks are well aware, is already in place. It has been agreed to by the CPTPP members. Anyone that wants to accede to it—and that would include the United Kingdom and the U.S., since they are not party to the agreement—would have to accept the terms and conditions as they are,

and that includes the market access conditions. That includes the broader pieces, the parts that everyone has already agreed to, as well as the market access components to it. You're absolutely right. We have made market access concessions that include all of the tariff rate quotas in the supply-managed area, and access to it is open to CPTPP members. The new members would be able to access that same amount, not more.

Mr. Ben Lobb: So the U.S. is going to have what they get through USMCA, plus any they can fill through the CPTPP.

Mr. Doug Forsyth: It would depend. That would certainly be part of the negotiation in terms of what they would put on the table. Again, they have not asked or requested to join the agreement. Different people think different things about whether they will or they won't. The only country that has put forward an application is the U.K.

Mr. Ben Lobb: My last question will be very quick.

The Chair: Make it very, very brief, Mr. Lobb.

Mr. Ben Lobb: Okay.

It's to my best friend Tom Vilsack, the U.S. agriculture secretary. I'd love to say that the U.S. is our greatest trading partner, and they are, but Secretary Vilsack sure doesn't prove it with his rhetoric about COOL. How do we complete a deal on USMCA? It's a different regime with a different President, but now we're right back into this again. It's very disheartening.

Mr. Doug Forsyth: On country of origin labelling, we did win a WTO case on that. We do retain the right to retaliate if the United States were ever to implement something that was offside from the WTO commitments. We could implement that rather quickly, if need be.

The Chair: Thank you, Mr. Forsyth.

Madam Clerk, I understand that you've been able to clarify Mr. Blaikie's motion.

The Clerk: Yes.

Mr. Blaikie's motion is in order, except that because it goes against Standing Order 75 on the consideration of a bill in committee, whereby we have to do clause-by-clause study and then the title and everything, we would need unanimous consent to pursue this motion.

The Chair: In order to proceed with Mr. Blaikie's motion, we need unanimous consent from the committee.

The Clerk: Exactly.

The Chair: All right.

Does Mr. Blaikie have unanimous consent?

Mr. Sukh Dhaliwal: No.

The Chair: Thank you, Madam Clerk. Thank you, Mr. Lobb.

Mr. Arya, you have five minutes, please.

Mr. Chandra Arya: Thank you, Madam Chair.

Whenever the issue of supply management comes up, I think of poor Canadian families. Milk is so expensive that many poor Canadian families find it very hard to buy milk. In fact, according to Statistics Canada, milk consumption has been declining in Canada since 2004. If my numbers are correct, in 2004 milk consumption per capita was 85.6 litres. In 2018 it was 65.85 litres. That's a decrease of almost 20 litres per capita.

Then there's the quality. There were reports earlier this year that the butter available in Canada is no longer soft enough and is not like what we were accustomed to. In fact, I'm told that now we have to pop a slab into the microwave to ease the butter back into better spreading consistency.

My question is about the agreements, when our market opened a little bit. We had agreements like CPTPP. We had agreements that said we were allowed imports of certain products. There was a little bit of that, but let's say I want to have New Zealand butter. Why am I not getting it, when New Zealand farmers are willing to export to Canada? I know I can't import it as an individual.

My question is with regard to the administration and allocation of imports. Why is it that I can't import? Why is it that the local convenience store can't import? Can you quickly explain how this works?

• (1410)

Mr. Doug Forsyth: Maybe I will ask my colleague from Agriculture and Agri-Food Canada to elaborate on that.

Mr. Aaron Fowler: The reality is that generally speaking, there is more interest in importing products in the supply management categories than there is volume to be imported. Canada requires a system to organize itself and to allocate those import rights in a coordinated fashion, one that maximizes the commercial and economic benefits to Canada—

Mr. Chandra Arya: No, no; my question is about why it isn't available now. We have had this agreement for quite some time. Who is actually stopping it? For instance, who's creating the hurdles or constraints for consumers like us to get New Zealand butter?

Mr. Aaron Fowler: Again, the imports from New Zealand or from any of our CPTPP countries that meet Canada's food quality requirements are eligible to be imported. Global Affairs Canada, through its trade controls directorate, administers the import and export controls regime, including import licences for dairy products that are covered by the CPTPP, including imports of those products from New Zealand. Now, what the holders of those licences choose to import is up to the holders of those licences.

Mr. Chandra Arya: Okay, so who has the licences? Can I, as an individual, apply and get a licence to import New Zealand butter?

Mr. Aaron Fowler: I would defer that question to colleagues at Global Affairs who administer the import and export controls regime.

Mr. Doug Forsyth: I can add to that, then.

To pick up on what my colleague from Agriculture Canada was saying, in order to participate in the importation of butter and other TRQs, you have to meet the terms and conditions of an import li-

cence, and one of those is that you're active in the dairy sector. Then, there are other issues—

Mr. Chandra Arya: Okay, so what you're saying is that to be active in the dairy sector, only the people who are already in the business of supplying to the Canadian market can apply for an import licence. Why should they import if it's going to affect their own market here in Canada?

Mr. Doug Forsyth: If I could finish the other components...?

The Chair: Yes, go ahead, Mr. Forsyth.

Mr. Doug Forsyth: Thank you, Madam Chair.

There are other components regarding the ability to import. We allow provisions for new entrants, people who are new to the sector, who may be interested in doing that. It's not just producers and processors who have imported in the past.

All of the terms and conditions are available on our website—

The Chair: I'm sorry, Mr. Arya, but your time is up.

We will go on to Ms. Gray for five minutes, please.

Mrs. Tracy Gray: Thank you Madam Chair.

Thank you to the witnesses for being here. It's good to see you again, Mr. Forsyth.

As my first question, if Bill C-216 is adopted, could this potentially have a negative effect on supply-managed sectors, in your opinion?

Mr. Doug Forsyth: Would it have a negative effect on supply-managed producers? I can't think of one off the top of my head, but maybe I'll ask if my colleagues from Agriculture can think of any.

Mr. Aaron Fowler: I can't think of any obvious immediate negative impacts from the legislation on the supply-managed sectors.

Mrs. Tracy Gray: Is there risk for beef and pork export if we adopt this bill, a risk with restraining exports?

Mr. Doug Forsyth: As I mentioned in some of my opening remarks and in answers to other questions, I think it is quite probable that this would have an impact on some of our export sectors. In any negotiation, other countries will be looking to shrink the negotiating pie, as it were. They would look at key export areas of Canada and look to take them off the table as well.

From a negotiator's point of view, I think that would make sense. Whether they would do it or not, I don't know, but I think it is quite likely. Those are key export sectors of ours, and a trading partner would look at those with great interest.

• (1415)

Mrs. Tracy Gray: Thank you.

I want to ask you this because of your experience negotiating the Canada-UK Trade Continuity Agreement last year.

Despite the U.K. being a large exporter of cheese worldwide, the negotiators were able to ensure no new market access to supply-managed sectors in this agreement. What is the process that the negotiators go through in order to prevent this from happening? I think you touched on it a little bit today, but is there anything else you want to add?

Mr. Doug Forsyth: I'll highlight a few of the issues.

It very much starts with our looking at the world for our offensive and defensive interests in any negotiation. We look at where we are, what sectors we'd like to protect, what sectors we have to protect. Those are the issues that would go into our cabinet mandate. There are recommendations to the minister, and they would be elaborated on in a cabinet mandate.

The Canada-U.K. agreement, as I mentioned a couple of times, was certainly part and parcel of the constraints that the negotiating team faced and that I faced as chief negotiator. As you know, it was well respected throughout the negotiating process, and we were able to achieve an outcome that fully respected the policies of the supply-managed system.

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

We heard today from High Commissioner Goodale that it looks like the agreement between Canada and the U.K. will be accelerated, although U.K. Prime Minister Johnson told CBC a few weeks ago that he wants to see access for U.K. cheese in the Canadian market.

What action has the government directed you or our department to take on this issue?

Mr. Doug Forsyth: I think we have not yet launched the bilateral negotiations between Canada and the U.K. We finished our consultations earlier in May. My understanding is that the U.K. is currently undergoing their consultations. We anticipate that they will be finished early in the summer.

We will—

Mrs. Tracy Gray: Have you been advised if you're going to be the chief negotiator? I'm sorry for interrupting.

Mr. Doug Forsyth: I have not been advised of that. We will see.

We will put forward a mandate to government late in the summer or early in the fall, and then we will follow the tabling of treaty process as we move forward and provide the—

Mrs. Tracy Gray: If I could just squeeze this in, would royal assent for Bill C-216 be helpful to you in the success of our negotiations with the U.K. to protect Canadian supply-managed sectors, or would you say that it will make no difference in the prioritization of protecting it?

Mr. Doug Forsyth: Thank you for the question.

I don't think it will make any difference in the sense of prioritizing it. It may make it more difficult once the U.K. government sees that [*Technical difficulty—Editor*] issues are and they would [*Technical difficulty—Editor*]

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: On a point of order, Madam Chair.

The interpreters are signalling that there is a problem.

[*English*]

The Chair: Hold on, Mr. Forsyth. We seem to have a translation problem.

Mr. Forsyth, would you back up with that answer a bit and try it again, please?

Mr. Doug Forsyth: Okay.

The question was around whether there would be any constraints....

I'm sorry. Could you repeat the question, please?

The Chair: Go ahead, Ms. Gray.

Mrs. Tracy Gray: Thank you, Madam Chair, for allowing me the extra time because of the translation problem.

If Bill C-216 receives royal assent, would it be helpful to you in success in negotiations with the U.K. to protect Canadian supply-managed sectors, or would you say that it would make no difference in the prioritizing of it?

Mr. Doug Forsyth: In terms of protecting supply management, I don't think it would make any difference. The mandate would not be developed yet, but I think the words from the Prime Minister, the Minister of International Trade and the Minister of Agriculture are clear that there will be no new concessions under supply management in our future trade negotiations. I can't see it making a difference, frankly.

Where it would make a difference, though—and I think this is where I got interrupted—is with respect to where the U.K. enters negotiation and their mindset and their frame of mind when they come in. If they see that we have completely taken something off the table, it is quite likely that they would look to do the same, and then we would not be operating from the same basket of issues.

• (1420)

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

Mr. Hardie, you have five minutes, please.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Madam Chair, and thank you for this opportunity.

When we talk about supply management, it brings to mind the whole issue that this is more about families, communities and the strength of sectors that historically have been the foundation of many communities in the country. It goes beyond money and markets, which is why I tend to agree with Mr. Blaikie that this is more of a political issue and not so much a technical one. It is also an issue on which we need to understand the technical implications of maintaining something that is, if you like, culturally important to Canada, because there will eventually and undoubtedly be trade-offs.

Would adopting this bill and exercising a total barrier to negotiating over supply management basically shut the door to other countries in a very large way in our potential trade agreements?

Mr. Forsyth, maybe you could answer that.

Mr. Doug Forsyth: Maybe I'll start, and my colleague from agriculture might have something to add. I'm happy to start.

As I said, I think that during a negotiation we would like to start with a full basket of issues on the table. Would taking them off the table right up front impact our negotiating leverage? Would it impact the interest that a trading partner has in Canada? As I've said a couple of times, I think it probably would.

I think that if we were able to launch negotiations and then if we were able to come to an agreement, it would be—

Mr. Ken Hardie: If I could, Mr. Forsyth, I have other questions, and I know this is not an easy answer or a short one. Basically, then, it's safe to say that this just limits our range of movement if we take something off the table. Is that basically it?

Mr. Doug Forsyth: Yes, I think that's fair to say.

Mr. Ken Hardie: Do we have other sectors where we already provide the same kind of protections that this bill would provide to the supply-managed sector?

Mr. Doug Forsyth: Do we have anything in legislation that prevents it, or...? I think, as I said, that governments for many years have been very clear about their defence of supply management and their protection of supply management. Is there anything in legislation like this that prevents it? Not that I am aware of.

Mr. Ken Hardie: No, not supply management, but are there other sectors—maybe not supply management, but something else—where we will automatically take things off the table? Is this unique, in other words?

Mr. Doug Forsyth: I mean.... Listen, we do have defensive interests. As I mentioned a couple of times, when we go into a trade negotiation, we have defensive interests that are top of mind, and supply management certainly is on that list. Our cultural exemptions are another thing that is top of mind from our defensive point of view. Certain of our environmental aspects, our labour aspects and of course our defence of export of water are also top of mind when we go into trade negotiations.

Whether any of those things are in legislation is not to my knowledge. Those are policies of the government.

Mr. Ken Hardie: Well, yes, we know, for instance, that we won't permit foreign telecoms to come in and take over part of our system. It's the same with the Broadcasting Act, etc.

Then which countries do we actually have to keep an eye on in terms of pressure on supply management for dairy, eggs and poultry?

Mr. Doug Forsyth: I would say that it very much depends. The Canadian market is very lucrative, so many of our export partners want to ensure that they get access to the Canadian market. Top of mind, of course, is the United States, due to their proximity and due to our trading relationship.

We have keen interest from the European Union due to CETA. They have a large eye on our cheese market. Any of our—

Mr. Ken Hardie: When we talk to partners—

The Chair: I'm sorry, Mr. Hardie, but your time is up.

We will move on to Mr. Savard-Tremblay for two and half minutes.

• (1425)

[*Translation*]

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

I am just going to ask my question again, but it will be much simpler and more concise.

I would ask the witnesses not to compare the constitutional system of the United States with Canada's or Europe's and not to talk about the model for assigning the negotiators' mandates.

In the United States, there is a law that prohibits touching government operations. Another, called the Jones Act, prevents touching the maritime sector. They are also prohibited from touching sugar, which is systematically excluded under an agreement dating from the war of secession.

I would ask the representatives of both departments whether they believe that the Americans are weakened by those laws and that Canada could have better bargaining power because the exclusion of certain sectors has the force of law in the United States.

[*English*]

Mr. Doug Forsyth: Thank you for the question and the clarification. I appreciate that.

Madam Chair, I think when we enter into negotiations with anybody, whether it's the United States or anybody else, we always try to find ways to bring issues to the table. I do have a little bit of history on the sugar side of things and I can assure you that we are always.... Despite some of the constraints they may have in the areas of sugar, it is an area of interest to Canadian exporters and producers.

Maybe I'll turn to my colleague who has his hand up. I think he wants to add something, so please do.

Mr. Aaron Fowler: Thank you.

In fact, I just want to clarify that indeed there are provisions in the CUSMA that provide incremental access to the U.S. sugar market for Canadian exporters under certain circumstances.

The Chair: Thank you very much.

We will move on to Mr. Blaikie for two and a half minutes, please.

Mr. Daniel Blaikie: Just following up on that, am I hearing that we have a trading partner that has a prohibition in law on granting access within an agreement, yet nevertheless granted access to Canada within a trade agreement?

Mr. Aaron Fowler: I'll take the question.

I'm not aware if the U.S. has a prohibition in law on its ability to discuss these matters at the negotiating table. In a previous life I worked on non-agricultural issues. I recall discussing matters related to the Jones Act with the United States in a negotiating context. It's true that the U.S. is very resistant to making commitments in those areas, but I would have to defer to somebody else. I'm not aware of a legal prohibition within the U.S. domestic legal system that prevents them from discussing these matters with their trading partners.

Mr. Daniel Blaikie: Fair enough.

In the case of the Canadian cultural industry, protecting the cultural industry has obviously been an important pillar in trade policy. That's been made known to our trading partners and is represented within a number of agreements.

Has Canada's hard line on protecting its cultural industry gotten in the way of being able to conclude agreements with major trading partners?

Mr. Doug Forsyth: It's certainly an area of interest, as you well note, especially when it comes to dealing with our negotiating partner to the south.

Has it prevented agreements? Clearly, it hasn't. We had the FTA with the United States first; then we had NAFTA, and now we have the CUSMA, so no, it has not prevented agreement.

Generally speaking, when we're talking about... Trading goods tends to take more of a focus than trading in services, such as cultural issues.

Mr. Daniel Blaikie: Thank you. That's all, Madam Chair.

The Chair: Thank you, Mr. Blaikie.

Next we have Mr. Berthold for five minutes.

[Translation]

Mr. Luc Berthold: Thank you very much, Madam Chair.

It is important to recall that the reason we are here is that the milk producers and the producers who are under supply management have little or no confidence in governments' policy decisions, particularly the ones that have been made recently by the Liberal government.

The government just kept repeating *ad nauseam* that it was going to protect the supply management system, and at the very end, we realized that it had made truly extraordinary concessions regarding that system.

I understand the intention of Bill C-216, proposed by my colleague Mr. Plamondon. He wants to prevent new cracks in the system from being created. However, I'm afraid that passing this bill will hurt supply management more, because, as Mr. Forsyth said, the fact that we are protecting a sector will attract other countries' attention when it comes time to negotiate.

Unfortunately, this sector will probably, once again, find itself, at the very end of the negotiations [*inaudible*] our negotiators are going to want to give yes and no answers.

The other reason why the producers who are under supply management have little confidence in government decisions is that in

connection with the recent Canada—United States—Mexico Agreement, they were given promises of compensation but they have not yet seen an inkling of a hint of the beginning of an agreement on compensation, unfortunately.

Speaking for Agriculture and Agri-Food Canada, can you tell us where this stands, Mr. Fowler?

Where the problem lies at present is that the producers are being told things, but the politicians provide no assurances. We then feel that we have to propose a bill to fix things and put barriers in place that ultimately create a bigger risk of imposing constraints on the agriculture sector in Canada rather than helping it.

● (1430)

[English]

Mr. Aaron Fowler: I think the question was whether I could provide an update with respect to the provision of compensation related to the CUSMA.

The government has been fairly clear in its statement of its intention to continue to provide support to the supply management sector, including its commitment to provide producers and processors with full and fair compensation with regard to the impacts of recent trade agreements, including the CETA, the CPTPP and the CUSMA.

[Translation]

Mr. Luc Berthold: Mr. Fowler, stop talking about the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Canada-European Union Comprehensive Economic and Trade Agreement. They have already been signed.

We are talking about the Canada—United States—Mexico Agreement, in connection with which unprecedented concessions were made, because we agreed to limit our exports and to allow the Americans to intrude into our product price categories, not to mention that the producers were promised compensation.

Where do things stand with this compensation scheme? That is where the entire problem lies at this point: the producers no longer trust the system and are afraid that the word of the politicians, all in favour of supply management though they be, is not enough.

[English]

Mr. Aaron Fowler: Thank you for the question.

I'm not a member of the government. I'm Canada's chief trade negotiator. All I know is that the government has made a commitment. It seems fairly clear what that commitment is. With respect to the earlier trade agreement, I believe that commitment has been executed, and the government continues to reiterate its intention to execute that commitment vis-à-vis the CUSMA as well.

Mr. Luc Berthold: Do I have a little more time, Madam Chair?

The Chair: You have one minute and 20 seconds.

[Translation]

Mr. Luc Berthold: Thank you very much.

Mr. Forsyth, when you negotiate on behalf of multiple groups, multiple sectors, I believe that the preparations and discussions and the promises made to the various groups are important to the credibility of the negotiations.

How can a negotiator act if their hands are tied and they can't use all the tools in their possession, when their mandate is to defend certain sectors?

[English]

Mr. Doug Forsyth: Thank you for the question, Madam Chair.

If I understood that question correctly, I think one of the keys for any good negotiator is to make sure that you're in close contact with the key stakeholders to ensure you understand exactly what their issues are and to make sure they understand where you are at in the negotiations. That two-way communication is very important so that surprises, whether at the end or in the middle, are kept to a minimum.

That is one of the key objectives we have in any trade negotiation. It is staying in close contact with affected sectors, whether they're on the defensive side—for example, supply management—or on the offensive side, for example, with some of the grain sector and the beef and pork sectors.

The Chair: Thank you, Mr. Forsyth.

We move to Ms. Bendayan for five minutes.

[Translation]

Ms. Rachel Bendayan: Thank you very much, Madam Chair.

Earlier in this discussion, we raised the question of the cultural exemption.

Quite frankly, I am surprised that my colleagues, the members from Quebec, have not had more to say about this question, because the fact that we had to defend the cultural exemption and many other issues is essential to this discussion, in my opinion.

• (1435)

[English]

My question is for either Mr. Fowler or Mr. Forsyth.

Given that we have a number of defensive sectors—I believe that's what you called them, Mr. Forsyth—and given that we have a number of areas that we try to protect in Canada—particularly the cultural exemption, but others as well—do you feel as if putting one particular defensive sector into law in this legislation somehow diminishes the importance, in the eyes of our potential trading partners, of the other things we try to defend, such as the cultural exemption?

Mr. Doug Forsyth: Would it, in our partners' eyes...? That's a very good question. I think that certainly by elevating one sector over another, you are indicating to trading partners—and, frankly, to the Canadian audience as well—the importance of one sector over another.

When you put it in legislation, I can well imagine that other sectors would look to have their interests reflected in legislation as well, whether it's in this department's act or another department's act or in any other way. Government policies of the day would no

longer be considered policies but would be found in legislation. If that were the case, it certainly would limit what we could do as trade negotiators, but it would also highlight for other countries with which we wish to negotiate where our defensive sectors are and the importance we place on them. Yes.

Ms. Rachel Bendayan: In the course of your consultations ending just now in May or previously, have other sectors indicated that they also would like to see legislative tools in order to exempt them from any potential harm in future negotiations?

Mr. Doug Forsyth: During the consultations, we certainly heard interests from a number of stakeholders that are both offensive and defensive, and not just on the supply management side of things. I haven't heard of any other sectors that would like to be included in legislation, but I think this still is the farthest one down the road, as it were. If it were to be enacted, I could imagine that others would be interested in seeing themselves reflected in legislation as well.

I'll ask my colleague from AAFC if he is aware of any other sectors that have flagged that interest.

Mr. Aaron Fowler: No, I am not. I suspect that many are watching to see how this process unfolds, but I have not heard of any other sectors requesting this treatment.

Ms. Rachel Bendayan: Thank you very much.

Mr. Fowler, seeing as how just a few short days ago we did hear from other agriculture sectors, including beef and pork farmers, I wonder what reaction or commentary you may have heard on the agriculture side on behalf of our other farming industries. Do you feel there is a common thread among our agri-food sector, or is there divergence on this particular point?

Mr. Aaron Fowler: I would say that what I have heard reflects largely what the committee has heard from the export-oriented part of Canada's agriculture sector, which is a concern that any action taken to continue to protect the supply management sectors.... Generally speaking, I think the agricultural industry understands the reason that we have to take these steps to protect supply-managed industries. They want to ensure that it is done in a way that does not foreclose on their ability to pursue export-oriented opportunities and they want the government to negotiate meaningful market access opportunities in the context of our free trade agreement. I think that is largely consistent with the message this committee heard.

The Chair: Thank you very much.

Mr. Lobb, you have five minutes, please.

Mr. Ben Lobb: Thank you very much, Madam Chair.

I want to go back to an outstanding issue that I believe the chicken farmers still have.

Mr. Forsyth or Mr. Fowler, perhaps you can touch on this. It's about one of the outstanding requests they have from the USMCA trade deal with further auditing at the border with the CBSA. Do you get involved with the CBSA to follow up on that? Is there an update on where we're at?

This would be in regard to spent hens coming across the border or anything that wouldn't be in the regular role of what you would see in the deal.

• (1440)

Mr. Doug Forsyth: Maybe I will ask my colleague from Agriculture Canada to answer.

Mr. Aaron Fowler: Certainly we are very well aware of the issue and the concerns that the poultry sector has expressed with respect to certain types of imports that are coming into Canada. We have been working with them for some time in different parts of the Department of Agriculture and Agri-Food, as have our colleagues at the Canadian Food Inspection Agency and our colleagues at the Canada Border Services Agency. We have been working across departments to explore different mechanisms that might be used to address that particular challenge and to ensure that the products that are entering Canada are limited to those that are allowed under the terms of our agreements.

Mr. Ben Lobb: Along the same line, I'm sure you have heard from the dairy farmers through the years, as I have, on the claims that a tanker truck would come across the border and say that it was goat milk. It would later be found out to be dairy cow milk, not goat milk.

Is this something that you have heard through the years? Is this something that the CFIA or CBSA is regularly checking on?

Mr. Aaron Fowler: Perhaps I will try to answer it and then see whether Mr. Forsyth wants to add anything.

That particular example, I have to say, is not one that I have heard before. I know that there's generally concern that the products entering are eligible to enter under the TRQ in question and that there's not a misrepresentation of the goods. That's a fairly consistent concern, and one that we work on regularly with our stakeholders.

Mr. Ben Lobb: Okay. Good.

I want to go back to the idea around the trans-Pacific partnership and the U.S. I know I brought this up in the first round, but to me, the spirit of the deal that goes back to 2014 or 2015 was that the U.S.A. would have access to TPP. That would be it. That would be rolled into it. That was the deal. Now it looks like the U.S. is going to get their access through USMCA and they are going to get access to the TPP. By geography, they should have the lion's share of that TPP access.

Is that your understanding of it, or do you think there's some other way that the U.S. wouldn't get almost double the access?

Mr. Doug Forsyth: I think the U.S. has not applied to join the CPTPP. You are correct that if they were to join, they might have access to both of those opportunities to import, if you will. However, that would be part and parcel of the market access package that they would need to negotiate when they joined CPTPP. Again, they haven't applied yet, so it's difficult to answer a hypothetical question.

I'll turn to my colleague from AAFC to see if he wants to add anything.

Mr. Aaron Fowler: Thank you. I will maybe add to that, if that's okay.

As was mentioned in response to an earlier question, Canada's commitments under the CPTPP are known. They're made on a plurilateral basis, so they're available to all CPTPP members.

Canada has been clear that with respect to countries that have expressed an interest in having access to the CPTPP, our willingness to leave those market access commitments available for that country depends on that country's ability to bring a commensurate level of ambition to the table, including with respect to the market access commitments it would be prepared to make to Canadian exporters.

This is a very hypothetical situation, but if the U.S. were to seek to accede to the CPTPP and access the incremental market access through that agreement that is not available to them through the CUSMA, I think the first question I would have is, "What does Canada get in exchange for that? What is the incremental access that we would get into the U.S. market?"

At this point, it's not a question that I can answer, but I think it shouldn't be taken as a given that any country that accedes to the CPTPP will, by definition, be accessing Canada's market access commitments as they're currently written.

• (1445)

The Chair: Thank you very much.

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

Mr. Ben Lobb: Madam Chair, if I can just say one thing, I didn't catch Mr. Arya's last comments about New Zealand butter.

He doesn't prefer New Zealand butter over Canadian butter; he was just wondering where he can buy New Zealand butter. Was that what he was saying?

The Chair: I see a thumbs-up, so I guess that's what he was saying.

Go ahead, Mr. Dhaliwal, please.

Mr. Sukh Dhaliwal: Thank you, Madam Chair.

I again want to appreciate the valuable input from Mr. Forsyth and Mr. Fowler on this topic.

Carrying on, Parliamentary Secretary Bendayan was asking a question. If we set up this new Bill C-216, it will set a precedent that will probably affect other industries as well. Other people will come to us. I mean, every industry brings in a bill.

I would like to get an explanation in detail on the trade policy objectives are that are going to come from particular sectors.

Mr. Doug Forsyth: I will maybe start, and then I'll turn to my colleague from Agriculture Canada to further elaborate.

If I understood the question, you want to know other sectors that might come forward and what those sectors might be. Is that what I understood?

Mr. Sukh Dhaliwal: That's right.

Mr. Doug Forsyth: Okay. Thank you for the clarification.

As we said, I'm sure most sectors are keeping a close eye. You will have seen on Monday, when a number of industry players came and presented to the committee, that others were watching very closely to see what was going on.

Again, we haven't heard for sure who might have an interest. However, you could certainly see that there might be an interest from sectors that we consider defensive in the trade negotiations, whether those are cultural industries or telecommunication service providers.

Again, I think it's fairly wide open with regard to who might have an interest in seeing themselves in legislation once the legislation is in place. Once it's given to one group, I think it's clear that others might also have an interest. I haven't heard of anything specifically, but I could well imagine that there might be some other sectors at play.

I'll turn to my colleague to see if he has anything to add.

Mr. Aaron Fowler: There's not much to add, and thank you very much for the opportunity.

The impact of this bill, to a certain degree, depends on how our trading partners and prospective negotiating partners choose to react to it. How they choose to react to it, I think, will be at least in part a function of the commercial interest and importance that they attach to their dairy and poultry sectors. It's a bit difficult to say to what extent it might impact on trade policy objectives or considerations beyond supply management, because to a certain degree, that depends on the response of our trading partners to this piece of legislation.

Mr. Sukh Dhaliwal: Mr. Fowler, you mentioned that we must be watching the trading partners. Could you please tell the committee which trading partners you are watching and which ones we should be focusing on?

Mr. Doug Forsyth: Maybe I could start, and then, Aaron, if you would like to add anything, please do.

For sure, whoever we're negotiating with watches what's going on in Canada very closely. I know that our counterparts in the United Kingdom watched all of the hearings from last fall all the way through April with great interest. What they heard was reflected back to me very much at the negotiating table, so they were watching very closely.

I can imagine that as we plan to move forward with other trading partners, whether Ukraine or Indonesia and ASEAN countries, they will all have a keen interest in following all of the things that are going on in Canada, as we would do, frankly, and as our missions in various countries would do with countries with which we are negotiating.

As a negotiator, you want to have at hand as much information as possible about your opponent. Anything you can have that would impact or influence your negotiating position and what you say and do at the negotiating table would be important to have.

• (1450)

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

We will move on to Mr. Savard-Tremblay for two and a half minutes, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Madam Chair, I am going to let Mr. Perron ask the question.

Mr. Yves Perron: I thank my colleague.

Thank you, Madam Chair.

Once again, I thank the witnesses for being with us to provide an impartial opinion, as public servants. It is as such that I would like them to answer my questions.

We hear a lot of people say that we have to reserve access to other products and that protecting supply management by a law would limit the negotiating mandate. However, the politicians all say that they don't want to touch supply management.

Is that not a contradiction? Are we not lying to ourselves a little when we say that we have to keep our cards in our pockets, at the same time promising they will not be touched?

I would like to have your objective opinion as a public servant on this subject, Mr. Forsyth.

[*English*]

Mr. Doug Forsyth: Madam Chair, I can start and then I might turn to my colleague to see if he has anything further to add.

From a trade negotiator's perspective, I always want to have as many options as possible when I am sitting across the table from—

[*Translation*]

Mr. Yves Perron: Madam Chair, I would like to time to be suspended, because we don't have interpretation.

[*English*]

The Chair: Mr. Forsyth, I'm sorry. There was a translation problem. Would you start the answer again, please?

Mr. Doug Forsyth: Is it my mike, or is it translation? I can hold the mike closer.

[*Translation*]

Mr. Yves Perron: It's just the interpretation, Mr. Forsyth.

[*English*]

The Chair: Try it again, please.

Mr. Doug Forsyth: I'll start again, and then perhaps my colleague will want to add to that.

When I approach this question, it's more from a trade negotiator perspective. As a trade negotiator, I like to have all of the tools in my tool box, as it were. I like to have everything at my disposal, even though in the back of my mind I know what I can and cannot do.

When I launch the negotiations, I want to be able to have as wide a discussion as possible, knowing that as we approach the finalized agreement, it will be much narrower.

[*Translation*]

Mr. Yves Perron: Thank you, Mr. Forsyth.

Your answer suggests to me that essentially, you can promise anybody anything and then go and negotiate, realize that you can't keep your promise, and repeat the negotiating scenario from the last three agreements. That's what I'm hearing.

I would like to know what you think about the argument that it would attract attention to supply management.

It's a pretty crazy argument, that the effect of protecting the supply management system with a law will be to attract attention to the system. In the negotiations for the last three agreements, there was in fact no law that protected supply management, and there were major concessions. There is even talk of precedents.

I would like to note, for the committee's records, that the first concession was made under a Conservative government. Some people might therefore want to choose their words carefully when they are making statements.

Apart from that, with respect, I would like to know whether...

[English]

The Chair: Thank you, Mr. Perron, but unfortunately your time is up.

[Translation]

Mr. Yves Perron: Madam Chair, can we have ten seconds for the answer and the interpretation?

[English]

The Chair: Yes.

Mr. Doug Forsyth: Thank you, Madam Chair.

I'll try to respond to the question I think I heard, but if not, I apologize in advance.

Yes, concessions were given in CETA, in CPTPP and in CUSMA. As I mentioned earlier, those concessions were given after thorough analysis and a lot of internal debate about whether or not they should be made. It was deemed to be in the economic interest of Canada to go ahead and make those concessions. That's why. Those decisions were not taken lightly and they were not taken without a great deal of thought and analysis.

The Chair: Thank you very much.

Mr. Blaikie, you have two and half minutes, please.

[Translation]

Mr. Daniel Blaikie: Thank you, Madam Chair.

In view of the answer that Mr. Perron got, if he has other questions to ask, I will be happy to yield my speaking time.

• (1455)

Mr. Yves Perron: You yield your speaking time to me, Mr. Blaikie! That is very nice of you. Thank you.

We are told that concessions were made because it was thought to be advantageous. I can imagine so, but the fact is that in the future, if the supply management system is subject to more concessions, it will end up ceasing to function.

I am now going to address the question of the cultural exception, the importance of which the parliamentary secretary reminded us of

earlier. I am thrilled to hear culture being discussed. I want to assure my colleague that if we are to pass laws to give culture more protection, the Bloc Québécois will be ready, as in fact it already is, in the case of Bill C-10. I will now end that aside. Still, that proves that we can protect certain sectors.

I want to come back to my original question and ask Mr. Fowler about this. There is talk about blocking other accesses, but I would like him to tell me how he interprets the fact that Canadian beef, in particular, cannot enter Europe at present, while European cheese can enter Canada.

[English]

Mr. Aaron Fowler: I'm sorry; the question was cut off. I did not hear the question.

The Chair: Mr. Perron, would you please repeat the question?

[Translation]

Mr. Yves Perron: Yes, certainly.

Mr. Fowler, the argument is often made that it is necessary to preserve access for other products to be shipped abroad. Obviously, the producers who are subject to supply management are a bit tired of being used as bargaining chips. That said, I would like you to tell me about beef.

How is it that Canadian beef cannot enter Europe, while European cheese can enter Canada? That is the concrete example of a trade that is not working. I would like to hear your comments on that.

[English]

Mr. Aaron Fowler: Thank you very much for the question.

Canadian beef does have access to the European market. Market access is provided under the CETA. Additional market access was created under the Canada-U.K. Trade Continuity Agreement to account for the departure of the United Kingdom from the European Union. We are aware, and we continue to work with the industry in Canada to ensure that Canada has a supply of beef that's able to meet the technical and food safety requirements of the European Union. We continue to work with the European Union to encourage them to ensure that their system reflects a scientific basis and a rules-based approach.

Beef access is provided under the CETA. At the time the CETA was concluded, I think it was seen as a balanced outcome both from an overall perspective and from the standpoint of agricultural market access.

[Translation]

Mr. Yves Perron: Thank you, Mr. Fowler.

You are telling me that Canadian beef can access the European market, but that is not what we are being told by the beef producers. They say that that market is closed to them, that there are other non-tariff barriers. You talked about the requirements for cleaning carcasses, for example. So I wonder whether it is really worth it to penalize and make cuts to sensitive sectors of our economy when the gains on the other hand are not necessarily guaranteed.

Personally, I think that the past is an indication of what the future holds. Should we not learn from it?

[*English*]

The Chair: Give a brief answer, Mr. Fowler.

Mr. Aaron Fowler: Absolutely, yes. We do learn from our experiences. We seek to improve the rules that we negotiate with our trading partners to ensure that the market access opportunities our exporters are afforded are real opportunities that they can take advantage of and not merely tariff reductions that don't address underlying non-tariff or technical barriers to trade.

It's a long road and there's always scope to improve that outcome, but in every trade agreement that we negotiate, we strive to

ensure that export-oriented industries—agricultural and otherwise—have opportunities that they can pursue as a result of it.

The Chair: Thank you.

Thank you very much to all our witnesses for the very valuable information.

I'm going to adjourn the meeting, with your permission, and wish you all a very nice relaxing weekend. We will see each other at Monday's meeting. Thank you all very much.

The meeting is adjourned.

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