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Chair

Mr. Lee Richardson

Standing Committee on International Trade

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• (1110)

[English]

The Chair (Mr. Lee Richardson (Calgary Centre, CPC)): Welcome to the 36th meeting of the Standing Committee on International Trade for this session of Parliament.

We are going to begin today with our study of Canada and South America trade relations, with particular reference to Canada and Colombia.

By way of housekeeping, it appears we have one witness today. We could probably conclude this within one hour. I suggest we'll probably go to 12:10, at which point we will go to committee business. We have a couple of motions to consider. In all likelihood, we will adjourn a little early today. I'll aim for 12:30, and we'll hope we can see that time.

To continue with our discussion of Canada-Colombia, we have a witness from Canada Pork International. Jacques Pomerleau is the executive director.

Welcome. You're familiar with the proceedings. We appreciate your being here. Our members are all present now, so we can begin. If you would be kind enough to begin with an opening statement, then members will follow with questions.

Monsieur Pomerleau.

Mr. Jacques Pomerleau (Executive Director, Canada Pork International): Thank you very much, Mr. Chair.

Good morning, gentlemen. Let me introduce our organization first. Canada Pork International is the export market development agency of the Canadian pork industry. We are a joint initiative of the Canadian Pork Council and the Canadian Meat Council. Our membership includes national and provincial hog producers' associations, as well as federally registered pork packing establishments, as well as trading companies.

It should be noted that more than 50% of the pork produced in Canada is being exported, and in spite of the crisis, that should not change over the next few years. Canada is the world's third largest pork exporter, accounting for 20% of the world pork trade, so we are a significant player. In 2008, Canadian pork exports to over 100 countries amounted to more than one million tonnes, and they were worth \$2.7 billion.

Our industry is quite proud of the fact that it has been able to achieve an effective market diversification. While more than a decade ago the U.S. market accounted for more than 75% of our total exports, it is now barely 30%, and the U.S. ranks second in value

behind Japan. An essential factor for our success has been the opening of new market opportunities, whether through the Uruguay Round, which introduced us to new markets such as South Korea and the Philippines, or regional trade agreements, including the one with Mexico.

We are thankful for being given the opportunity today to express our views on the trade relations between Canada and Colombia.

While population growth is relatively high in Colombia, the per capita income on average has also been increasing, and as is so often the case with developing countries experiencing economic growth, we are witnessing greater expenditures on food, including a rising demand for meat. Given these conditions, Canada has seen increased pork exports to Colombia, more than doubling in quantity over the past ten years, and of particular interest to our quest to achieve greater value-added exports, it has grown by five times its value.

To give you some figures, in 2008 Canadian pork exports to Colombia amounted to 3,570 tonnes, worth \$5.1 million. In the first nine months of this year, our exports to Colombia have reached 2,800 tonnes, worth \$4.2 million, which is up by 19% in volume and 32% in value over the same period in 2008.

Over the years we were able to get Colombia to recognize our plant inspection and export certification procedures, which means that in practice all Canadian federally registered establishments can export to Colombia. Just one year ago, Canada Pork International hosted an incoming mission of seven major Colombian pork buyers. Last July, in collaboration with the Canadian embassy in Bogota, CPI co-sponsored a technical seminar that attracted most Colombian buyers. Those two activities have allowed Canadian pork exporters to gain a much better understanding of the Colombian pork requirements and to develop the personal relationships required to take advantage of new opportunities in that country—and they are significant.

The conditions of economic growth and improved political stability in Colombia, combined with a good knowledge of the local trading conditions, lead us to believe that Canada can look to continued growth in trade, including pork, if our industry is able to retain favourable terms of access relative to our U.S. competitors. Failure to do so will mean that Canadian pork is very likely to be out of that market for a considerable period of time.

Traditionally, Canada has been the largest foreign pork supplier to the Caribbean, to Central America, and to Colombia. Recently, our trade position has been seriously eroded by a series of free trade agreements concluded with the U.S., to the point that the Americans have now become the largest foreign pork suppliers in Central America and in Colombia.

Colombia's WTO binding tariffs on pork range from 70% to 108%, while the applied tariff rates range from 22% to 30% on some products. The U.S.-Colombia free trade agreement provides for the complete phasing out of tariffs on most key pork products within five years. This would provide a significant advantage to our U.S. competitors for several years.

The Canadian deal with Colombia calls for the phase-out over five years of only the in-quota tariff. It will require another eight years to see the effective elimination of duties above the tariff quota.

• (1115)

While the tariff quota is 5,000 tonnes for the first year—a level that is at least 50% greater than our exports in 2008—and will increase by 3% per year, we see enough opportunity for even greater growth in export volumes that the U.S. will maintain a significant total advantage for several years.

As you are likely aware, the Colombia-U.S. free trade agreement has not yet been implemented, and it remains quite unclear as to when the United States Congress will vote on it. However, from contact our industry has had with U.S. industry officials and policy-makers, it seems that the U.S.-Colombia agreement will be passed and put into effect by the current Congress by 2012. It is therefore very much our hope that Canada will pass into law its own trade liberalization agreement with Colombia as soon as possible so that we get a head start on reducing Colombian import charges on Canadian pork. The sooner we are able to implement our own agreement, the less will be U.S. tariff advantages in both size and duration.

Our industry is currently in a difficult situation and cannot afford to lose any market of significance, such as Colombia. Therefore, Canada Pork International strongly supports the passage of the Canada-Colombia free trade agreement at the earliest opportunity.

Just to take one more minute of the committee's time, we wish to bring to your attention that the European Union and the Republic of Korea just signed a free trade agreement. We expect that this development will revive interest in the United States in implementing the deal they completed with South Korea last year.

South Korea is Canada's fourth largest market for pork exports, and our sales are on track to exceed \$130 million this year. We were in Korea less than one month ago. All the Korean agents of the Canadian exporters were unanimous in saying that there are very good opportunities developing for a wide range of products, but mostly for value-added products such as chilled pork. It happens that Canada's two principal competitors in the Korean pork market are the European Union and the United States. Here, again, Canada has a significant interest in not being left behind.

Our South Korean contacts made it very clear that without an agreement with South Korea, the Canadian pork industry would be almost out of that market within two years. Therefore, we urge the

committee to support efforts to complete and implement the Canada-South Korea free trade agreement as early as possible.

Thank you for your time. I am available to answer any questions you may have.

The Chair: Thank you, Mr. Pomerleau.

We will begin questioning with Mr. Cannis, who I think is going to share his time with Mr. Brison.

I think the members were very intent on hearing your remarks.

We'll probably conclude our questioning with one round, so if you have more than one who wants to speak, maybe you could share the time. I think we'll have ten minutes each and do it in one round so we can get to the other business on the agenda.

Mr. Cannis, you begin.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Chairman, thank you very much.

In discussing the Canada-Colombia agreement, all of a sudden you closed with a very powerful statement, which was that we should get a Canada-South Korea free trade agreement as early as possible. That was a very nice close. I've always been an advocate who has said that there's business out there for Canada.

Let's get out there. Let's be proactive. Let's get our fair share of the pie, even with the trouble spots that exist out there, such as Colombia. We know it. We recognize it. We've spoken to people on both sides of the argument. I think you'll find a lot of people, me being one, who say that it's best to be there to work with the countries towards a resolution and an improvement in lifestyle, human rights, and so on as opposed to staying away. In other words, let's show them how we do it in Canada.

You mentioned in one of your presentations, sir, that you hosted an incoming mission of seven major Colombian pork buyers. That's wonderful, and I think that's the way things should be done. There used to be a program called PEMD some years ago. You're smiling; obviously, you're very familiar with it. That was one venue whereby a government, irrespective of political stripes, helped Canadian businesses get a share of the market.

When I chaired the committee, it was recommended that we look at such a program or bring such a program back. I don't know if it's being discussed.

These expenses you undertook to host this incoming mission, how were they covered? In addition, are there initiatives on behalf of the government that support the industry in getting its share? Because of course if your industry or other industries are doing well, it becomes a revenue stream for a government in however many ways.

That's one of my questions, if you could elaborate on that.

•(1120)

Mr. Jacques Pomerleau: Since the old days of PEMD-I, the program has changed names many times. It's been named AIMS, CAFI, and now it's called AgriMarketing.

Those expenses were covered under the agri-marketing program. CPI has received some financial support from the program, but our contract has been terminated—not terminated, but we now have access to the international pork marketing fund, which is a \$17 million envelope up front that we received last August, and it's for four years. It gives us the ability to plan on a four-year period rather than having to come and request funds every year.

Mr. John Cannis: I'm very pleased to hear that.

My last question, before I turn it over to my esteemed colleague, Mr. Brison, has to do with the European Union and their agreements—the one that was referred to—with the Republic of Korea. It has been noted over the years that some of their commodities have been subsidized to some degree. It was always very difficult, whether it's the wines or the olive oils or whatever.

They're very proactive, and so they should be. We should be as well. But all of a sudden they're front and centre with the Republic of Korea, and the United States is right there as well. Are we going to be competing when we go, hopefully as soon as possible, to do a Canada-South Korea free trade agreement with the Europeans, who tend to bend the rules a little bit?

Can you give us your view on that?

Mr. Jacques Pomerleau: Usually the countries that sign an agreement with the European Union make sure they are not subject to export subsidies down the road, and I would suspect the Koreans did the same thing. Talking about the European subsidies, they do have export subsidies, you're right. On top of that, they also have a subsidy for private storage. They have a few things in there.

But talking about free trade agreements, the Canada-EU free trade agreement would also be very helpful for us, because we have been basically cut off from the EU for years, and it's only recently that we had the very first Canadian plant approved for the European Union. To our surprise, they are doing very well. We should have a second one approved in the next couple of weeks, and there are more to come.

We would also strongly support a Canada-EU free trade agreement.

Mr. John Cannis: I'm pleased to hear that.

Mr. Brison.

Hon. Scott Brison (Kings—Hants, Lib.): Thank you.

One of the things we're hearing from Canadian agricultural groups that support the ratification of this agreement is that there is quite a synergy between the two countries in terms of the areas where we have a comparative advantage and the areas where Colombia has a comparative advantage. There's not a robust, significant pork industry, for instance, in Colombia. That's an example of that. Whenever you can have agreements between countries where there is not a lot of overlap in terms of areas of focus economically, that's positive.

I have a quick question on another file that I know you've been deeply engaged in, and that is country-of-origin labelling with the U. S. I appreciate it. I was in D.C. the week before last again, and we met with some members of the administration and raised the issue again. There doesn't seem to be any appetite in the U.S., on either end of Pennsylvania Avenue, in diluting support for this at this time, but it's having a significant effect on the cost of the U.S. groceries. It's \$3 billion a year, according to the American groceries association.

What effects are you seeing currently on your members, and what effects do you see for the future? What can we be doing to build natural allegiances between those in Canada, like you, who are against country-of-origin labelling and those in the U.S. who are against country-of-origin labelling? What could we be doing more strategically to defend our interest?

•(1125)

Mr. Jacques Pomerleau: I have to mention that it's primarily the Canadian Pork Council that is handling the country-of-origin labelling, but I can still comment on your question. The impact is really on the exports of live hogs. As you've noticed, they were cut almost by half over the previous year. The indirect impact is that by having fewer hogs go the U.S., there are more hogs being killed in Canada, which means that we have more pork to export—which is an odd way of doing it, but that's the way it's happening.

What I could mention this morning is that the Canadian Meat Council and the Canadian Pork Council are working on an initiative to develop a better relationship with their American counterparts and American policy-makers.

The Chair: Thank you.

Monsieur Guimond.

[Translation]

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Mr. Chairman. I will be sharing my time with my colleague Mr. Desnoyers.

Good morning, Mr. Pomerleau. Welcome. Mr. Pomerleau and I have a common background, as he comes from the Beauce and I come from the Lower St. Lawrence region, so we are both from rural regions. In addition, we have some agricultural friends in common in my riding. So I am pleased to be able to speak with you for the next five minutes.

I would like to ask you a few questions about the pork industry as it stands today. Having come from the agricultural and union sectors, I have seen close hand what has gone on in the pork industry over the past 15 years. Pork production was a real jewel in both Quebec and Canadian export markets. Unfortunately, we have no choice but to acknowledge that things have changed because of the crisis in pork production coupled with the economic crisis, etc.

I would like to hear your opinion on the current state of our beautiful jewel, the pork industry, and on its future.

Mr. Jacques Pomerleau: That is a question worth millions of dollars.

•(1130)

Mr. Claude Guimond: I know that you know this.

Mr. Jacques Pomerleau: Yes, I could talk at great length, but you have only two minutes.

As for exports, I would say that the future is bright but not in the short term. Currently we are witnessing a contraction in production throughout the world, and not just in Canada or in United States. We see the same thing occurring in Europe and just about everywhere else. This is also happening in Asia, whether it be Japan or Korea. However, production levels are resuming in China and Russia is hoping to become a major exporter over the next few years. I wish them luck, but at any rate, time will tell.

In the medium and long term, its future may be bright, particularly if we reach an agreement within the WTO, which would enable us to further reduce tariffs for certain markets, which would also enable us to renegotiate the Japanese import system.

But how do we get to this point? How do we make it possible for our producers to survive long enough so that they can get to this point and turn a profit? That is the big question.

I know that all parties have agreed that we need to help the pork sector as much as possible. I know that further to negotiations with the Canada Pork Council, the government has implemented a transition plan for those producers who wish to leave the industry as well as a loans program to make survival possible for those who wish to remain.

Call options, either at the Chicago Stock Exchange or elsewhere, appear to show that there will probably be an improvement in the spring. Nevertheless, we thought this would also happen in the spring of 2008, and we were hit by the H1N1 flu.

Mr. Claude Guimond: I know about that as well.

Mr. Jacques Pomerleau: So far, we have not been able to find a reliable crystal ball.

Mr. Claude Guimond: Last winter we talked about the U.S. COOL legislation. We also discussed the traceability system that we work with in Quebec, something that we are seeing more and more in the rest of Canada. Committee members even travelled to Washington and put the subject of traceability on the table. We felt that the people there were interested.

Could traceability from the farm gate to the table be a tool that could help your export industry to be even better equipped in order to continue exporting?

Mr. Jacques Pomerleau: Certainly, especially for very sophisticated markets such as Japan where, in the medium term, this may become a sales or purchase requirement.

It is not only a matter of traceability. We need to promote our entire production and inspection system more intensely, especially since we are well ahead of just about every other country in the world. However, we do not brag about this or at least we do not talk about this enough. One of the things that we will be doing with the funds we have been given will be to determine all of the factors, draw every possible and imaginable comparison with our competitors, establish our strong points, the good things that we can promote, as well as our witnesses, so that we can determine where we need to make improvements.

We are in the process of developing a strategic plan that we will be submitting to the Minister of Agriculture and Agri-Food by early February. This will contain our four-year plan.

Mr. Claude Guimond: I was surprised to find out, in listening to your presentation, that your exports to the United States have dropped from 75% to 30%. What explains this decline?

Mr. Jacques Pomerleau: We diversified. That does not mean that our sales to the U.S. declined during this period. Indeed, they doubled, but we also worked very hard to open up all the other markets in the world. Fortunately, moreover, because otherwise our situation would not be what it now is. Market access has always been our main priority. Without this access, promotion is impossible.

It is extremely fortunate that we invested in the Australian, New Zealand and Filipino markets and that we worked so hard to do this. During the same period, we multiplied our sales with Japan tenfold. Our main purpose was always to be less dependent on the American market by diversifying. Indeed, we were too dependent. I think that we have been quite successful.

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Mr. Pomerleau, your document indicates that the American Congress has not yet voted in favour of this agreement, but you appear to be saying that it will do so shortly. I do not know where you get this information, but according to the opinions that we are receiving, the position of Barack Obama as regards all of the human rights violations in Colombia is that this problem needs to be resolved. I do not know whether you were aware of that.

● (1135)

Mr. Jacques Pomerleau: Indeed, our message is that we do not want to take any chances. If the Americans—

Mr. Luc Desnoyers: When all is said and done, you are in favour of a free trade agreement at any cost.

Mr. Jacques Pomerleau: The agreement has been reached.

Mr. Luc Desnoyers: It has to go through—

Mr. Jacques Pomerleau: It has to go through Parliament, in fact, but as far as we are concerned, it is satisfactory as is.

Mr. Luc Desnoyers: And are the incidents that are occurring now in Colombia satisfactory as well? Are you aware of what is going on in Columbia?

Mr. Jacques Pomerleau: In relative terms.

Mr. Luc Desnoyers: Did you know that thousands of people have been killed, kidnapped, threatened? Do you feel that any consideration should be given to matters that pertain to values that are important to Canadians, such as, for example, democracy and freedom? This is what underpins my question. Do you want a free trade agreement at any cost, regardless of the values that are not respected?

Mr. Jacques Pomerleau: You can look at this issue from two different angles. If we shut the door, is that going to improve the situation for these people? We believe that it is by opening these markets up and by dealing with other countries that situations like that pertaining to human rights—

Mr. Luc Desnoyers: Would you agree that these violations should continue systematically?

Mr. Jacques Pomerleau: If you shut the door, will that stop them from occurring?

Mr. Luc Desnoyers: Did Barack Obama not shut the door? That is why I have asked you the question. At present, the United States and neighbouring countries have made this an important topic of discussion but your association appears not to be too concerned about what's happening there. You appear to think that these people should be able to do what they want, kill people as they see fit.

Mr. Jacques Pomerleau: No, no. I will give you an example of what I mean. If you had asked us whether we wanted to sign an agreement with Korea in the 1950s, everyone would have said—

Mr. Luc Desnoyers: I am talking to you about Colombia, where the human rights record is the worst in the world.

Mr. Jacques Pomerleau: Yes, but I would ask you the question again: if you shut the door—

Mr. Luc Desnoyers: I'm the one who gets to ask the questions.

Mr. Jacques Pomerleau: I apologize. As far as we are concerned, we believe that it is not by shutting the door or by further isolating these people that we will resolve their problem.

Mr. Luc Desnoyers: Would you agree that the issue of human rights needs to be resolved before this free trade agreement can come into force?

Mr. Jacques Pomerleau: That would be the ideal situation, but, in practical terms, is that feasible? I do not know.

Mr. Luc Desnoyers: Do I still have some time left?

[English]

The Chair: No, that's more than enough.

Mr. Julian.

Mr. Peter Julian (Burnaby—New Westminster, NDP): I'm very tempted to give Monsieur Desnoyers some of my time. He's very effective in this committee.

Thank you, Mr. Pomerleau. You are aware of the reasons why this agreement has now been before the House for eight months, and that the House of Commons has not even brought it to committee. This is a very problematic agreement.

We have another report coming out this week that shows an 80% increase in cases of torture by the military arm of the Colombian regime from 2003 to 2008. There is not a single report that has not been commissioned by the Colombian government that actually points to significant increases in the last couple of years on human rights violations. For all those reasons, this is no doubt a complete repudiation of Canadian values. That's why it's so problematic.

The government has been trying to set a business case. Their argument has been kind of difficult. The grain growers came before this committee and said they actually preferred a multilateral agreement. The beef industry came forward, and they're talking about \$6 million in sales. You're talking about \$6 million in a global scale of \$2.7 billion. Let's be clear that this is marginal, particularly when you include South Korea. You're talking about markets that will make a significant difference.

We'll put aside all the torture and human rights abuses and get to the business case of what this government should be doing to

support the pork industry. We heard testimony this spring from Canada Pork International about an incredibly tiny budget of \$5.5 million over five years for marketing Canadian pork. This is for an industry of \$2.7 billion. You indicated earlier, in response to Liberal questions, that it's now \$17 million over four years. We're talking about \$4 million a year. The Australians put \$100 million into marketing their beef and pork industries.

You're here, and the government's trying to desperately push whatever business case they can. In any judgemental Canadian's eyes—Canadians who look at what the business results are compared to the incredible downside on human rights—they're actually making the Bloc's case and the NDP's case more effectively.

If Australia is putting in \$100 million to fund their beef and pork industries, what is the U.S. putting in? What would Canada need to put in to be at a level playing field? Rather than trying to push this incredibly irresponsible, privileged trading agreement with a regime that has increased its level of torture, and where human rights violations are increasing, what should this government be doing to invest in and really support our pork industry?

● (1140)

Mr. Jacques Pomerleau: The U.S. government announced last week that they are giving \$18 million a year to the U.S. Meat Export Federation to promote both pork and beef.

I mentioned earlier that it's nice to promote, but market access is always our major problem. A point is China right now, where we've been actively shut out because of H1N1. Russia was a major market for us, but they are now using what I would call non-scientific-based standards to block our exports to the point where most of our plants, especially those in Quebec, are completely shut out of Russia. We have yet to convince India to negotiate a veterinary agreement. We now have rumours from South Africa that they could use a technical barrier to block our exports. It goes on and on.

If we wanted to give it a real short-term boost right now, we would do a lot of work on market access and really go around the world and talk to our trade partners to resolve all the outstanding market access issues.

Mr. Peter Julian: Okay. Coming back to funding, you're saying the \$18 million to the meat and pork industries is in addition to the current \$40 million that Mr. Ted Haney told us about on April 2 before this committee. So we're now talking about a \$60-million budget for the Americans to support their beef and pork industries.

Mr. Heney said that in addition to that they have concession on rental rates for international offices and shared resources available out of agricultural trade offices. None of those collateral supports exist for Canadian industry. We're saying there's a \$60-million base for the U.S., plus all of these additional supports, Australia gives \$100 million, and the cheap Conservative Canadian government gives \$4 million a year to the pork industry. That's shameful.

Are there any additional supports that the pork industry gets?

Mr. Jacques Pomerleau: Do you mean in terms of funding for exports? No. But at the same time, I wish to say that we work very closely with the Department of Foreign Affairs and International Trade as well as with the Canadian Food Inspection Agency to resolve, as much as possible, all the market access issues. But they have very limited resources.

Mr. Peter Julian: My next set of questions is on the Canadian Food Inspection Agency, because there's been a lot of concern about real cutbacks at the CFIA. Canadians are increasingly concerned, because this government doesn't seem to take its responsibility for food inspection seriously. To what degree do you feel that the CFIA is underfunded right now?

Mr. Jacques Pomerleau: I shouldn't say that they are underfunded as far as exports are concerned. The point is that right now the minister has announced the market access secretariat. It's being funded right now, and they are filling the positions. But at the same time, they have allowed the CFIA to fill back those positions. In our case, we are lucky to see more resources allocated to exports, especially pork exports. The key is that it takes time to structure the organization. Hopefully, it will be operational by the end of this year.

• (1145)

Mr. Peter Julian: But you're saying that it's underfunded now.

Mr. Jacques Pomerleau: It's always been underfunded compared to other countries.

Mr. Peter Julian: Do you have some sense of what other countries...? We've already seen the shocking figures showing how Australia and the U.S. support their pork industries as compared to the Canadian government. Do you have some sense of comparable funding? These are our major competitors, right. This is really job one. If the government can't get this right, they can't seriously be said to be really pushing the pork industry or the beef industry.

Mr. Jacques Pomerleau: At times, you know, it's not putting tons of money into something that will fix it. In this case, when we talk about the Canadian Food Inspection Agency, it's really to make sure that whatever resources they have, and they have some significant ones, are focused on where the issues are. It seems that the market access secretariat might be the solution to our predicament. It remains to be seen how it works and if it will work.

Mr. Peter Julian: Just so I understand, do you have some sense of what resources the other countries put in?

Mr. Jacques Pomerleau: The U.S. has their veterinary attachés all over the place.

I'll give you an example. When I was at the Canadian embassy in Paris, I was the only one handling the whole agricultural sector, plus others. There were 12 Americans working specifically on food and agriculture. Those are the kinds of resources. The agricultural foreign service is very well equipped.

Mr. Peter Julian: You don't have those figures for us, or you don't have access to them.

Mr. Jacques Pomerleau: No.

Mr. Peter Julian: We as a committee should be endeavouring to get some sense of it ourselves.

Mr. Jacques Pomerleau: Yes, but at the same time, Agriculture Canada has put a lot of money recently into the foreign agricultural service, and that seems to be working quite well for the time being. It's starting as well. There are some initiatives that merit a better look and more funding, if need be.

Mr. Peter Julian: Do I have another minute, Mr. Chair?

The Chair: No.

We'll go to Mr. Keddy, and then we're going to follow with Mr. Holder, and then we'll wrap it up.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): I'd like to welcome our witness and thank him for appearing today. I want to correct the record. My colleagues have made some absolutely outrageous statements. I think the word "shocking" was used. Well, it is shocking. We spend far too much time correcting the record and going back and asking for proof of the instances that the Bloc and the NDP continue to bring up. And they have no proof of any of them. It just wastes committee time.

Mr. Pomerleau, when you hear the opponents talking about the free trade agreement, it must seem to you as if some vacuum exists. We already trade with Columbia. This is not brand-new trade. We've signed an agreement with Jordan. We already trade with Jordan. This trade is already going on. But the opposition parties would say that we should continue to punish our exporters, continue to make them pay high tariffs. Their objection to the regime is based on ideology rather than fact. Look at the agreement with Jordan we signed this morning—we do \$98 million worth of business with Jordan. When the Americans signed with Jordan, they were doing \$200 million, and that quickly moved to \$5 billion. That's the type of exponential opportunity that's there for Canadian agriculture and manufactured goods. We cannot live in a world that wants to continue to shut countries out when those countries have clearly made headway, when trade with those countries is good for the Canadian pork industry, for agriculture, and for non-agricultural goods.

That's all the time I have. I know Ed has pertinent questions.

• (1150)

Mr. Ed Holder (London West, CPC): Thank you, and I'd like to thank our guest for being here today.

Those are compelling comments that you've made, Mr. Pomerleau.

I'd like to compliment Mr. Guimond. Drawing on your agricultural background, you talked about the economic crisis affecting pork production. I thought your comments were very thoughtful.

I know you have a new colleague here today who hasn't been part of this group. There has been a change in the questioning, and I was quite disappointed by it. It seemed that the questioning was trying to suggest that the pork industry did not care about the circumstances in other countries. You were asked whether you were in favour of free trade at all costs. This suggestion was very sad, from my perspective. I say this as a comment; I'm not asking you to respond. I find it troubling to hear it suggested that the pork industry doesn't care.

What I'd like to drill down on is the pork producers across Canada. Help me understand the percentage of production in each province, just roughly.

Mr. Jacques Pomerleau: It's in five provinces, mostly. I would say Manitoba is first, with about one-third. Quebec and Ontario are at about the same level. Then come Alberta and Saskatchewan.

Mr. Ed Holder: That's sufficient. What would you say to federal politicians, especially those with pork producers in their ridings, who oppose this free trade agreement?

Mr. Jacques Pomerleau: You mean this one in particular?

Mr. Ed Holder: Yes.

Mr. Jacques Pomerleau: We were successful over the years because we were able to grasp and open every little market we could. We cannot afford to lose any of them. You never know what will happen. We were fortunate that we were not depending on the U.S. for 100% of our exports. We are going through a crisis right now. With COOL and other things, it could have been much worse. We need to diversify and make sure that we have access to every market we can worldwide. Why? Because you never know.

Mr. Ed Holder: I heard one of my colleagues at the opposite table make a comment that the amount the pork producers deal with Colombia is effectively trivial, and frankly, I don't think the pork industry is trivial at all. Again, I just find that rhetoric does not help the cause or help the understanding.

Do you think our pork exports to Colombia are trivial?

Mr. Jacques Pomerleau: No, they aren't. As I said, we need markets for everything. We have a carcass to sell, so we need markets for every part of that animal. Canadians won't eat some parts or won't eat enough of them, so that's where Colombia is important in our strategy, because they will buy cuts we don't for a better price than we could get anywhere else.

Mr. Ed Holder: So you're saying Colombia is important to this process?

Mr. Jacques Pomerleau: It is important because it's part of the overall structure.

Mr. Ed Holder: I heard another comment about the quality of inspection, suggesting that somehow the export of the pork production from Canada to other parts of the world is inferior or not appropriate. How confident are you in the quality of the exported pork we deliver to Colombia and around the world?

Mr. Jacques Pomerleau: We are so confident that it is the first item we promote when we work overseas.

Mr. Ed Holder: So you're confident the quality of the inspection process and the quality of the pork you deliver around the world is the highest quality.

Mr. Jacques Pomerleau: Oh, yes, we have—

Mr. Ed Holder: And you would say that to any member of any party?

Mr. Jacques Pomerleau: Oh, yes.

● (1155)

Mr. Ed Holder: In any country around the world.

Mr. Jacques Pomerleau: Yes.

Mr. Ed Holder: I think that's very compelling. I hope that gets heard.

Finally—and I'm mindful of my last minute or so—here's the thing. I hear the members opposite, at least one, talk about raising the business case, and it seems to me the response I hear is more subsidies, more promotion. I'm not here to challenge what the exact number should be, but it sounds to me that what you're really looking for to be able to improve pork production access to markets is exactly that, market access. Is my understanding of that clear? Would that be your number one priority?

Mr. Jacques Pomerleau: It always has been.

Mr. Ed Holder: Would you say it again to the committee, just so we hear it?

Mr. Jacques Pomerleau: Market access is our priority and will remain our top priority, because without access you cannot do any promotion or anything else.

Mr. Ed Holder: And in terms of that.... I'm done, and I want to thank our guest. I appreciate the candour, and I hope you will know that we appreciate the respect you've shown this committee.

The Chair: Thank you, Mr. Holder, and thank you, Mr. Pomerleau. I think that was an excellent presentation and a delight to government members, I'm sure.

I did have one request. I guess it came from the Liberals and was with regard to a question that was asked earlier and a mention of a report. Mr. Julian, you mentioned a report the NDP commissioned, similar to FARC or something.

Mr. Peter Julian: Not the NDP, no, the Colombian Coalition against Torture. They published a report this week.

The Chair: Oh, I see. Could you table a copy of that for the committee?

Mr. Peter Julian: Yes, I'd be pleased to. Yes, I could personally deliver it to every member's office.

The Chair: We appreciate that. I'm sure we'll be hearing more about it.

Mr. Pomerleau, thank you again for appearing today.

We're going to continue. We'll just take a one-minute break. We don't need to go in camera for this next part, but we'll take a minute break to bid adieu to our witness and then we'll proceed with motions today.

• _____ (Pause) _____

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• (1200)

The Chair: We're going into motions today.

I just have a little committee business. For those of you who hadn't heard, I did send a note around that our request for travel to Brazil was denied by the Liaison Committee. They were having kind of a cranky day. My sense is that if we revise that budget and perhaps propose it for the new year, if that is the wish of the committee, we'll probably see that visit to Brazil in January or February.

There are a couple of other things coming up, though, that we may want to consider if Brazil isn't on. I think the committee has been to Jordan, but it looks as if Japan and India are coming up, and those may be important to the committee as well.

To conclude that, I'll go to Mr. Silva.

Mr. Mario Silva (Davenport, Lib.): Mr. Chair, do you require a motion to that effect?

The Chair: No, I think we'll have some discussion before we get into motions about reintroducing the Brazil question.

Mr. Mario Silva: You don't need a motion to that?

The Chair: No, I think it's going to need a little work first.

Mr. Mario Silva: Okay, that's fine. If you need a motion, let me know.

The Chair: Thank you.

Okay, let us proceed to the business of the day, and that would be a notice of motion as provided by Mr. Julian.

Mr. Julian, if you would like to introduce your motion, we'll proceed.

Mr. Peter Julian: Certainly, Mr. Chair.

As you know, we've had testimony from the beef industry, both last spring on April 2 and a couple of weeks ago, that indicates we simply aren't on a level playing field with our main competitors as far as a promotional budget for Canadian beef is concerned. So my motion, which I'll move in a moment, would simply have the committee urging the government to increase that promotional budget so we can get really strong federal government support behind our Canadian beef industry. The motion reads as follows:

That the Committee urge the government to support the marketing of Canadian cattle and beef exports by increasing the government's promotional budget for Canadian beef, which is currently underfunded, to a level that establishes an equal playing field with Canada's main competitors, including Australia and the United States, and that the Committee report this to the House.

The Chair: Thank you, Mr. Julian.

Is there any debate on the motion?

Mr. Brison.

Hon. Scott Brison: Mr. Chair, I have two amendments to propose. Should I propose one and then we'll discuss it and then have a vote on it?

The Chair: All right.

Hon. Scott Brison: My first amendment would be to replace the section "Canadian cattle and beef exports" with "Canadian exports", and to replace "promotional budget for Canadian beef" with "promotional budget for Canadian exports".

The Chair: Okay, so the first amendment would be to essentially delete "cattle and beef" from the first line. And the second would be to replace "promotional budget for Canadian beef" with "promotional budget for Canadian exports". So you're essentially replacing with "Canadian exports" instead of just limiting it to Canadian cattle and beef.

Okay. Have we all heard the amendments? Is there any discussion of the amendments?

Mr. Julian.

Mr. Peter Julian: Thanks, Mr. Chair.

I certainly understand Mr. Brison's intent. I think that would be best accomplished by another motion, which I would certainly support, on Mr. Brison's part.

It is true that we are underfunding our Canadian promotional budgets in most sectors. There are a few sectors where that is not the case. In this case, very clearly, the cattle and beef industry are underfunded. There's no doubt about that. They've come before this committee twice to say it very clearly.

Though I understand his intent, I think it would best be served by having another motion that the Liberal Party could bring forward talking about the overall budgetary envelope, and I would certainly support that.

In this case, the cattle and beef industry has been historically underfunded. They've come here, they've spoken twice to the committee about this. And I think we have a responsibility as a committee to acknowledge the very clear message they gave to committee about that underfunding, and as a result of that, provide for that playing field, an equal playing field with Australia and the United States.

The other issue of course with the amendment would be, then, that in various sectors we have various competitors that are funding their industries to a higher level than we are, setting a higher standard than Canada is, so the motion wouldn't work as well with the amendments. It would essentially talk about Australia and the United States, which are clearly our competitors in the cattle and beef industry but not in other sectors.

So I understand the intent, and I hope Mr. Brison will understand that I would be supportive of his bringing forward a motion that is more global in scope, but for the purposes of this motion, I think what it does is it turns the focus away from the cattle and beef industry, despite the fact that they've come to us twice.

•(1205)

The Chair: Okay.

Monsieur Guimond.

[Translation]

Mr. Claude Guimond: I agree with Mr. Julian. Given everything that has occurred in the beef sector, particularly with respect to the mad cow crisis, and the economic crisis, I truly believe that we need to promote beef before anything else. Promoting exports will then follow suit. I'm in favour of the motion, as it is drafted. If we concentrate on promoting beef first, we are putting the horse before the cart.

[English]

The Chair: Thank you.

Mr. Cannis.

Mr. John Cannis: Thank you, Mr. Chairman.

Mr. Chairman, I'm glad I'm speaking third, actually, because I listened to the views of my two other colleagues.

I can appreciate what my colleague Mr. Brison is saying, because the intent, if I understand it correctly, makes a lot of sense, given what we just heard from our witness a minute ago. For me it seems, Mr. Chairman and colleagues, that it covers all. It's sort of like a complete umbrella of what Mr. Brison's amendments are intending to do. And maybe he can correct me if I'm wrong, but I think it also gives it more latitude, as well, in the sense that he's saying, if I recall correctly, to replace "Canadian exports", and he takes out "cattle and beef", and also, further down, on the second part, "promotional budgets for Canadian exports".

I think he's blanketing it all and he's giving much more latitude, which I would think, Mr. Chairman, would make every Canadian happy. So I would like to extend my support to Mr. Brison's amendments.

The Chair: Thank you.

Is there any further debate on the amendment?

Mr. Gerald Keddy: Put the question on the amendment.

The Chair: Then we will vote on the amendment.

Would those in favour of the amendment proposed by Mr. Brison, that the words "Canadian cattle and beef exports" be replaced with "Canadian exports", and that the phrase "promotional budget for Canadian beef" be replaced with "for promotional budget for Canadian exports", please raise their hands?

Mr. John Cannis: What's the matter with you guys? Don't you want to support Canadian exports?

The Chair: Those opposed?

(Amendment negated)

Hon. Scott Brison: Now it can be said that I've been able to bring the Conservatives and Mr. Julian together.

The Chair: Is there any further debate or amendments?

Hon. Scott Brison: Mr. Chair, I have a second amendment, which would add the following sentence to the end of the motion: "Furthermore, that the committee urge the government to move

quickly to negotiate additional free trade agreements that reduce tariffs and improve market access for Canadian products."

•(1210)

The Chair: Okay. Is there debate on the amendment?

Mr. Cannis.

Mr. John Cannis: I have a quick comment, Mr. Chairman, to what our witness said earlier today when he referred to Korea—that we should move, if I recall, as soon as possible. We'd like to move as quickly as we can on the Canada-Colombia, Mr. Chairman. As I see it in my questions, we've got to get out there, be proactive, and get our share of the business.

An hon. member: Hear, hear!

Mr. John Cannis: Mr. Brison's amendment makes a lot of sense.

The Chair: Thank you.

We have Mr. Julian, Mr. Guimond, and then Mr. Holder.

Mr. Peter Julian: Actually I'll wait for Mr. Guimond and then I'll speak after.

[Translation]

Mr. Claude Guimond: Thank you, gentlemen. I do not see the importance of adding that. I would go back to my initial comment, namely, that it is absolutely essential that we invest in beef promotion. Everything pertaining to exports or tariffs will be negotiated after. With respect to the beef industry, it is absolutely essential that we invest in promotion. That is my opinion and I am sticking to it.

[English]

The Chair: Thank you.

Mr. Julian.

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

I'd like to amend Mr. Brison's amendment by deleting "free" and simply having "trade agreements".

The Chair: So we have a subamendment—

Mr. Peter Julian: It's an amendment on Mr. Brison's amendment, and I'll speak to it, Mr. Chair.

There are free trade agreements that are problematic. In many cases there are fair trade agreements that I think any of my colleagues across the way might disagree with. I think if we're talking about trade generally and market access, we certainly have—

Mr. Gerald Keddy: No such thing, not at all.

The Chair: Order.

Mr. Peter Julian: Well, that's not true, but that's a subject for another debate.

Mr. Chair, I think by eliminating that and making it simply trade access, which I think we would all agree with.... The trade access comes indeed from the kinds of investments and promotion that the beef industry has been pitching for. Very clearly we have heard that industries are underfunded and Canada is not on a level playing field. That is very true.

How those agreements are conceived and whether it's the type of agreement, like MERCOSUR—that is actually much more fair trade oriented and talks about social policies and social objectives—or agreements where there are binding social, environmental, and labour standards, those kinds of agreements are the cutting edge and those are the ones that are emerging more and more. So given that this government unfortunately continues to rely on an old trade model that has been rejected—when you look at the chapter 11 provisions, even by the United States—we have a template that simply is not in keeping with where the world is going.

I think Mr. Brison's amendment would be acceptable to everybody around the table if we deleted what kind of trade agreement we're talking about: a more progressive fair trade agreement or a more regressive old-style free trade agreement. In that way I think we could have consensus that would allow us to move forward.

I know the beef and cattle industry are looking for that. That is pretty important to them, because for every additional dollar of federal government spending on promotions, they get a lot more supports and a lot more increase in sales than any one trade agreement would allow them to get.

The Chair: Okay.

Moving right along, on the subamendment, Mr. Julian has proposed to delete the word “free” from Mr. Brison's amendment. Is there any further discussion of this subamendment?

Mr. Brison.

• (1215)

Hon. Scott Brison: If I may, I would like to add something, Mr. Chair.

The beef farmers I speak with through the organization are very clear that they want free trade. They want access to markets and our support in principle and in reality for free trade agreements. I disagree with Mr. Julian on this, and I would not support that. We'll have a vote shortly and dispense with this, but I certainly would not support diluting this.

The Chair: Fine.

If there's no further debate on the subamendment, we'll vote on the subamendment first of all before we continue debate on the amendment. The subamendment would have Mr. Brison's motion amended by deleting the word “free”.

(Subamendment negatived)

The Chair: The subamendment fails.

We will revert to our speakers list for the amendment, as proposed by Mr. Brison, “that the committee urge the government to move quickly to negotiate additional free trade agreements that reduce tariffs and improve market access for Canadian products”.

Mr. Holder.

Mr. Ed Holder: Thank you very much.

I know, Mr. Chair, you've heard from all the parties now. If I might, I'd offer these comments. I'm prepared to support this amendment. What the beef and cattle industry want is a free trade agreement. That's what they clearly told us. What's not lost on me in

all of this, if you imagine this, is that we have the United States who have enforced 17 free trade agreements around the world. We have Mexico with 31 free trade deals around the world. Canada is in the single digits, and I think that's a shameful thing. If we can move this along without having any more filibustering in the House or at this committee, and we can make this happen, that will be better for the cattle and beef industry, better for Canada, and frankly better for Colombia.

The Chair: Mr. Harris, you wanted to comment on the amendment?

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Chairman, let me just say that the riding of Cariboo—Prince George has maybe the second-largest cattle industry in Canada within it. Albertans would agree with that, I'm sure. I attend the Cattlemen's Association meetings on a regular basis, and if there's one message they give to me, it's “Get the damned thing going. Get the free trade going.”

I'll tell you the cattle producers in my riding want that free trade, and they want it expanded as quickly as possible. The cattle farmers in Mr. Julian's riding may have a different approach to that, but certainly my producers are loud and clear when they speak about free trade, notwithstanding what the cattle producers in Mr. Julian's riding have to say.

The Chair: Okay, I think we've heard from each of the parties on this matter. So that we do not become redundant, I'm going to ask the question on Mr. Brison's amendment.

(Amendment agreed to)

The Chair: The amendment carries.

We will now revert to discussion of the amended motion. Is there any further debate on the amended motion? I think we've heard the views.

Then I'll call the question on the amended motion, and I'll ask the clerk to read out the motion as amended.

The Clerk of the Committee (Mr. Jean-Marie David): That the Committee urge the government to support the marketing of Canadian cattle and beef exports by increasing the government's promotional budget for Canadian beef, which is currently underfunded, to a level that establishes an equal playing field with Canada's main competitors, including Australia and the United States. Furthermore, that the Committee urge the government to move quickly to negotiate additional free trade agreements that reduce tariffs and improve market access for Canadian products, and that the Committee report this to the House.

(Motion agreed to)

• (1220)

The Chair: The motion carries.

Mr. Julian, have you a postscript?

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

Since we've just agreed to have a committee report go to the House, what I would like to propose—this is a normal courtesy that's given to all members around the table—is that a supplementary opinion of up to half a page be provided to the chair by the end of this week so that this report can be tabled in the House next week.

The Chair: So you're suggesting that the motion be the report?

Mr. Peter Julian: The motion is a report, Mr. Chair. This committee has decided that. This would allow an opportunity for a half a page and it would allow the Conservatives a chance to explain their position as well.

The Chair: That's very courteous of you to bring that the attention of the Conservatives, who obviously overlooked this opportunity.

Hon. Scott Brison: Mr. Chair, I think we should celebrate the fact that Mr. Julian supports free trade.

Mr. John Cannis: Mr. Chairman, I just can't wait to debate Bill C-23.

Hon. Scott Brison: The blogosphere will be atwitter.

An hon. member: This is a revelation.

Mr. Peter Julian: You can get into our....

The Chair: We will report to the House Mr. Julian's motion that the committee urge the government to move more quickly and negotiate additional free trade agreements. The opportunity is there. We'll have to prepare a report for the House, and if there are supplementary or complementary reports that you want appended to the motion, I leave that opportunity to all parties.

Mr. Peter Julian: So that's by this Friday, up to half a page.

An hon. member: You have to give the chair time.

Mr. Peter Julian: Well, no, the chair doesn't have to prepare a report.

The Chair: We usually give a week on these things, so let's say by next Tuesday.

Mr. John Cannis: Mr. Chairman, I just have a point of clarification. I don't know if I'm permitted to or not, but should I find myself in the chamber debating the Canada-Colombia free trade agreement, am I allowed to discuss what just took place in our committee? Or am I restricted until such time as we get the green light?

The Chair: No. We were in fact going to have this meeting in camera, but because it was a public meeting, you are at liberty to go ahead at any time.

All right. I think that's all we have for today. We will reconvene on Thursday. Thank you.

The meeting is adjourned.

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