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Legislative Assembly of Saskatchewan

DEBATES and PROCEEDINGS

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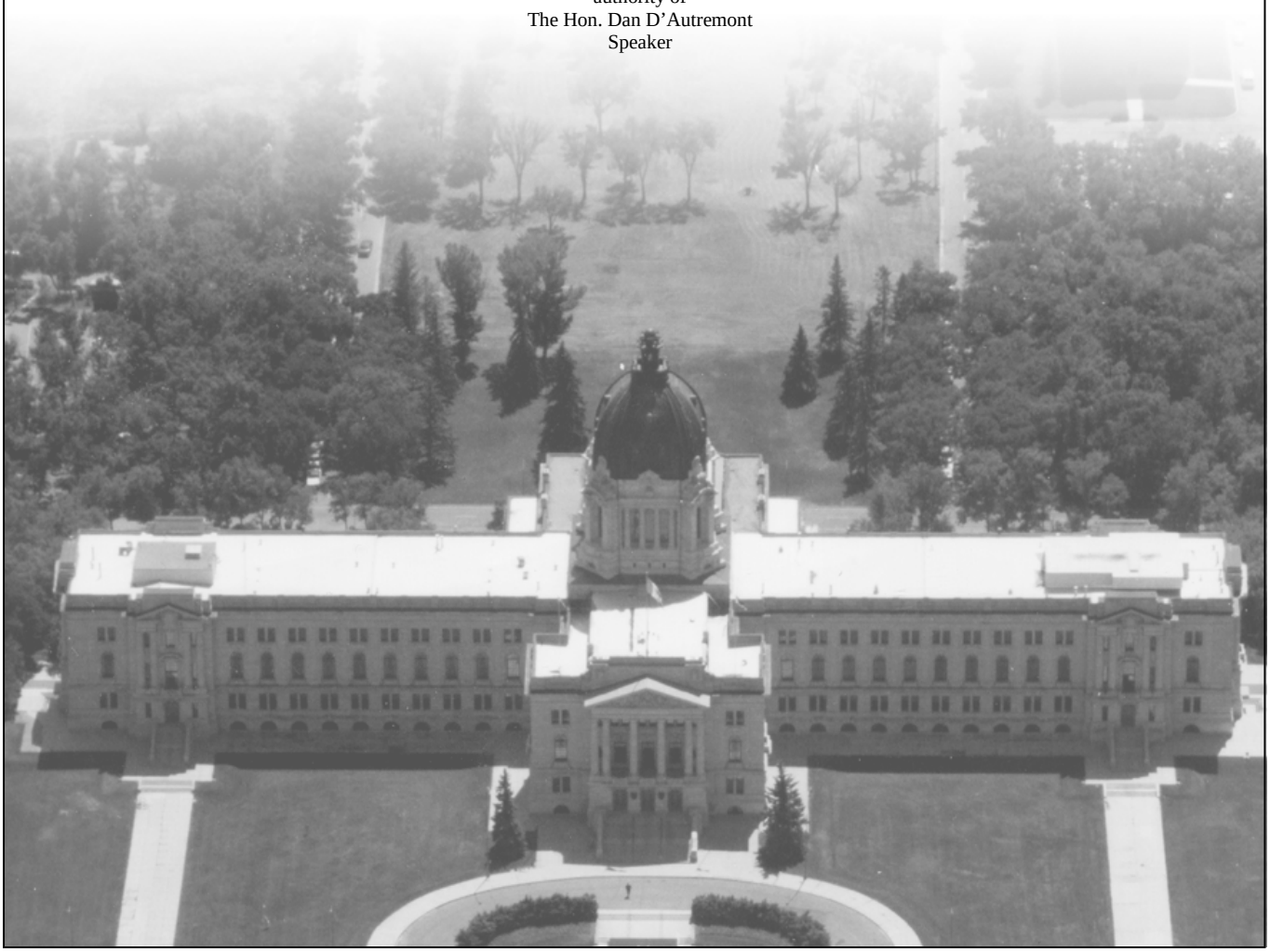
Speaker



N.S. VOL. 57 **NO. 88B TUESDAY, NOVEMBER 24, 2015, 19:00**

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Vacant		Prince Albert Carlton

[The Assembly resumed at 19:00.]

EVENING SITTING

The Speaker: — It now being 7 o'clock, debate will resume.

I recognize the member for Regina Lakeview.

[Applause]

GOVERNMENT MOTIONS

Trans-Pacific Partnership (continued)

Mr. Nilson: — So thank you, Mr. Speaker, and thank you to the government for all that applause. I mean, all that does is encourage some more very erudite reasoning around this particular document. And for all of the public who are just joining us now, we are dealing with a motion in support of the Trans-Pacific Partnership and it includes a number of different things.

But I think what I want to do is set the tone for the whole discussion that we have. And I'm going to go back to the very first paragraph of the whole 6,000-page document, and this paragraph says:

> The Parties to this Agreement, resolving to:
>
> **ESTABLISH** a comprehensive regional agreement that promotes economic integration to liberalise trade and investment, bring economic growth and social benefits, create new opportunities for workers and businesses, contribute to raising living standards, benefit consumers, reduce poverty, and promote sustainable growth.

And that's the first paragraph. There's quite a number of paragraphs in the purpose of the whole partnership agreement, but I think that that clause in and of itself sets out the principles on which this agreement is based and the negotiation that's based.

And as we've seen as we've gone through the first two chapters out of 31, there are a substantial number of issues that relate to Saskatchewan, and it's important for us to look at them. But it's also important to recognize that one of the issues that relates to documents like this and to governments that are working to provide information, whether it's negotiating international treaties or negotiating contracts to build highway bypasses or to build new hospitals, build new schools, it's always about providing due diligence.

And, Mr. Speaker, in *The Atlantic* monthly just over a month ago, September, there was a poem that I think is important to put on the record because it talks about this whole concept of due diligence. So this is the poem "Due Diligence" by the poet David Lehman who is the author of *The State of the Art: A Chronicle of American Poetry*.

So here's the poem:

Due Diligence

They didn't do their due diligence.
They didn't do it,
And now they rue it,
And how they will rue not doing it
With vigilance when they had the chance.
They talked the talk but didn't dance the dance.

They committed the folly
Of failing to follow the lolly.
They didn't learn about the booze,
They didn't learn about the flooze,
The smack, the jack, and the lolly.
And, in short, they missed the trolley.

They overlooked some obvious flaws.
Why? Was it arrogance
Or the need to spare the expense
Or just a lack of common sense?
Who can say? Whatever the cause,
They failed to observe the clause.

They didn't do their due diligence.
They didn't do it,
And now they rue it,
And how they will rue not doing it,
How they will rue the day
They didn't do their due diligence.

Mr. Speaker, I dedicate that poem to the ministers who are working on a number of these projects. It's very important that due diligence be done. It also includes the work that needs to be done on this particular Trans-Pacific Partnership.

And as I said earlier, this Trans-Pacific Partnership involves 12 countries, and those countries are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam. And, Mr. Speaker, these countries, the 12 of them, are on four continents around the Pacific Ocean.

Mr. Speaker, it's important to take a look at the motion that the government has put forward. And I'm going to read that motion again, because a lot of people won't have heard it from this afternoon. And so it reads in this *Orders of the Day*:

> Hon. Mr. Harrison to move the following motion:
>
> That this Assembly supports the Trans-Pacific Partnership trade agreement, the largest and most ambitious free trade initiative in history, and calls on the Government of Canada to ratify the finalized agreement at the earliest possible opportunity.

And that's the end of the clause. Now I read that because I think there needs to be some discussion about what we are actually doing and what the motion is saying.

And I'm going to rely on some very careful analysis of this agreement by a lawyer, law professor that I read regularly because I trust his advice. And I think it's important, actually,

for all of us to listen as he . . . This was posted yesterday, November 23rd. And it's posted by Michael Geist of the University of Ottawa Centre for Law, Technology and Society. And the article's called "Signing vs. Ratifying: Unpacking the Canadian Government Position on the Trans-Pacific Partnership."

And I think this is important to put into the record here:

> The official release of the Trans Pacific Partnership (TPP), a global trade agreement between 12 countries including Canada, the United States, and Japan, has generated considerable confusion over where the Trudeau government stands on the deal. The TPP was concluded several weeks before the October election and the Liberals were careful to express general support for free trade, but refrain from embracing an agreement that was still secret.
>
> Over the past month, there have been mixed signals over the issue. Chrystia Freeland, the new Minister of International Trade, has committed to a public consultation and noted that her government is not bound by commitments made by the Conservatives [and then he puts in a subnote] (in the interests of full disclosure, I had the opportunity to meet with Minister Freeland to discuss the TPP earlier this month). [And then the end of that subparagraph there.] Yet following a meeting between Prime Minister Justin Trudeau and U.S. President Barack Obama at the APEC conference in Manila, Obama indicated that he expects Canada to soon be a signatory to the deal.
>
> How to explain the seemingly inconsistent comments on the Canadian position on the TPP? The answer may well lie in the differences between reaching an agreement-in-principle, signing the formal text, and ratifying the deal. Each step is distinct and carries different legal obligations.
>
> The agreement-in-principle occurred in early October during the final round of negotiations in Atlanta. Contrary to reports that Canada "signed" the TPP at the time, there was nothing to sign. The agreement-in-principle closed off the outstanding issues, but the formal text still needed to be finalized. There were some legal implications of the agreement-in-principle, however. For example, the intellectual property chapter includes an annex that permits Canada's notice-and-notice rules to qualify as an alternative to the TPP's notice-and-takedown system (which is modeled on U.S. law). The annex states that only countries that have a similar system at the time of the agreement-in-principle can use the exception, effectively creating a Canadian-only rule.

So just commenting, the first part of this is then there's an agreement in principle, but there's no text at that point. Now:

> The next formal stage may be the signing of the TPP, which reports indicate could happen in New Zealand as early as February 2016. There will be strong incentives for all TPP negotiating countries, including Canada, to sign the agreement even if they are unsure about whether they will ultimately ratify it. Chapter 30 of the TPP on Final Provisions addresses some of the technical issues associated with the TPP. The chapter grants special rights to "original signatories," who are the only ones who qualify for the rules related to entry into force of the agreement (in the event that not all TPP countries ratify the agreement within two years, it takes effect once six original signatories which account for 85 percent of the GDP of the original signatories have ratified it). In other words, if Canada does not participate in the signing of the text, it will not be an original signatory and it will not count for the purposes of the TPP taking formal effect.
>
> The benefits of being an original signatory may be what ultimately motivate Canada to sign the TPP and why President Obama expects it to do so. However, the TPP would only become binding upon ratification of the agreement. That would require Canada to amend a wide variety of laws to ensure that it is compliant with TPP requirements. From a legal perspective, there is a significant difference between signing a treaty (which represents only a supportive gesture) vs. ratifying a treaty (which creates new legal obligations). Howard Knopf has characterized it as the difference between dating and marriage.
>
> It should be noted that many countries sign but do not ratify treaties. Indeed, Canada has a fair number of international treaties that it has signed but not ratified, including a 1988 Convention on International Bills of Exchange and International Promissory notes. The same is true for the United States, which has signed the United Nations Convention on the Rights of the Child, but has not ratified it.
>
> Canada could find itself in the same position with the TPP. Assuming it signs early next year, there will still be ample time to conduct a full, open consultation on the treaty. Many have already expressed serious concerns with the implications of the TPP for intellectual property, privacy, Internet governance, and the environment. In light of the mounting concerns, the government could sign the TPP as an original signatory, but still decide to not ratify without changes to the deal.

And, Mr. Speaker, that's the end of the article, but I think it's important for all of us to understand that the motion here goes down about one or two or maybe three years from now because it's going past the signing of the agreement and it's going on to the ratification of the finalized agreement. And from what the federal government has said, we're going to end up with a period of consultation in Canada, probably some time starting in the spring or summer or fall, and it wouldn't be until after that consultation that there would be even any request for ratification of the signed agreement.

And so, Mr. Speaker, this motion seemed to have some urgency to it but it's, you know, practically it is very unlikely that it has any real sort of need until such time as Canada has actually signed it. They're hoping to sign, you know . . . I guess all the parties are hoping to try to sign it in February. What we do know is that there have been so many issues coming from each of the different parties, each of the different countries that it could be much later than February that the signing takes place.

So we have this original agreement in principle, October 2015; possible signing in February 2016. I would guess more likely that it's going to be April or May or sometime later. Then there will be some further consultation, and people will have up to two years after that to ratify the agreement.

Now given that we've only had a few weeks of discussion on this treaty and clearly we haven't had much review in Saskatchewan on a number of the issues that we've already talked about just in the first two chapters, I think that this motion is jumping the gun quite dramatically, and that practically we still need to do a lot of work before we proceed with this.

[19:15]

Now I think what I hope to do here is to continue to discuss some of the clauses in the agreement. We've gone through some of the more contentious ones, and that's the one that talks about sort of the national sort of rights that people are wanting to protect. But as we go through the agreement, we see quite a number of places where those issues impact our people in Saskatchewan, our companies in Saskatchewan, and clearly things right across Canada.

So let's proceed then to the third chapter of this agreement. And for anybody who wants to follow online, I think you have to go to the Government of New Zealand, their website, and they'll have a place where you can tap into the document which is basically the Trans-Pacific Partnership agreement, and they will have this draft document, which is every page at the top says "Subject to Legal Review in English, Spanish and French for Accuracy, Clarity and Consistency" and "Subject to Authentication of English, Spanish and French Versions."

Now the third chapter talks about rules of origin and origin procedures. And this is another one that I think has some implications for Saskatchewan very directly, and we need to understand what the section is about. And effectively what the article . . . I mean I guess what the section is about is the rules of origin. And so basically what it says is that:

> Each Party shall provide that for the purposes of Article 3.2 [which talks about] (Originating Goods), a good is wholly obtained or produced entirely in the territory of one or more of the Parties if it is:
>
> (a) a plant or plant good, grown, cultivated, harvested, picked or gathered there;

So clearly that's something that we do a lot of in Saskatchewan is grow plants and grow seeds and things like that. Or:

> (b) a live animal born and raised there;

So that clearly relates to what we do here.

> (c) a good obtained from a live animal there;

And that includes obviously the dairy industry and a number of other issues. And then:

> (d) an animal obtained by hunting, trapping, fishing, gathering or capturing there;

So that's clearly something that happens in our province as well. And then:

> (e) a good obtained from aquaculture there;

And we do have some aquaculture, fish farmers that are producing and doing very well in our province. And then:

> (f) a mineral or other naturally occurring substance, not included in subparagraphs (a) through (e), [so that's the ones we've just looked at above, that's been] extracted or taken from there;

So clearly we have a big mining industry, oil and gas industry, and that's definitely included in here.

> (g) fish, shellfish and other marine life taken from the sea, seabed or subsoil outside the territories of the parties in accordance with international law . . .

I think this clause probably doesn't apply in Saskatchewan given that we're a landlocked province. And it deals with whatever fish or other marine products we get through the . . . in some other places.

So and then it says, any goods produced "on board a factory ship that is registered . . ." We don't normally have factory ships on any of our big lakes, although that's not beyond the realm of possibility if there was some special rule that would apply to them. And I make that comment because I know in the Great Lakes some of the casino rules were skirted by the fact that in the state of Illinois they couldn't really regulate out over Lake Michigan.

Now another part of this one is that it's:

> (h) a good other than fish, shellfish and other marine life taken by a Party or a person of a Party from the seabed or subsoil outside the territories of the Parties . . .

Well that doesn't apply here in Saskatchewan. Then this one does:

> (j) a good that is:
>
> (i) waste or scrap derived from [the] production there; or
>
> (ii) waste and scrap derived from used goods collected there, provided that these goods are fit only for the recovery of raw materials;

And that's obviously screenings of grain can be sold and used, and there are other parts of waste that are used.

And finally:

> (k) a good produced there, exclusively from goods referred to in subparagraphs (a) through (j), or from their derivatives.

In other words, anything produced from all of the things that I've just mentioned.

Now why is there such detail on this rules of origin and originating goods? Well I think the whole concern comes down to some of the rules around remanufacturing goods and also then manufacturing goods and giving special national preference, I guess, for goods that may be produced in your area or some other country that's close by. And this whole section goes on to set some quite sort of clear rules around percentages of regional value content versus things that are brought in from other places, and then creates rules around the tariffs that can be produced in that context. And I think that some of this is not entirely clear for what would happen in Canada or what happens in Saskatchewan, and we need to have some fairly thorough review of what this does mean for some of the products that we produce.

Now it also in this section deals with the whole issue of motor vehicles and what percentage of a motor vehicle is produced in which country, and that clearly is a contentious point for Canada as a whole. It may be a contentious point for us from Saskatchewan if in fact it increases dramatically, if the prices for purchasing vehicles or machinery increases dramatically because of that provision. We don't know from what information we have so far whether that is a concern or not. But clearly it's something that is once again an issue that needs to be examined by obviously our trade officials but more importantly, probably, in some of the departments like the Department of Agriculture and making sure that we are protected and that we're complying with the rules such as are necessary.

Now the whole section goes on in quite a bit of detail about how all this is basically calculated, and then ultimately it gets down to how do we apply these kinds of rules. And so then what happens, and this is where some of our Saskatchewan residents, some of our Saskatchewan businesses will be affected. And where it is, is if you are either importing or exporting some of these kinds of products, you're going to have to have certificates of origin that provide in full detail where a certain product either comes from or is going to. And if that kind of information is not available or if it's not accurate, then that becomes an issue in basically in the trade, probably reduces the price of the product that you have.

Where this is of concern, obviously, is in export of wheat products to Japan or to Vietnam or some of these places. It could relate to the export of different grains and lentils and things like that that we have that are transported. And so one of the questions will then become is, what kind of provincial legislation will we have that meshes with this legislation? And as Michael Geist stated earlier, once there's a signatory to that and then a ratification, then provinces and the federal government will be required to change their legislation to make it match this agreement. And I think it would be a good idea if we all knew what kinds of changes are necessary so that that can be part of the consultation, so that can be part of the discussion as we move forward.

Now it's got many pages in this section around the actual rules because it is crucial for the value of the goods that are being traded. So these certification procedures are even being raised to a higher level than some that we have seen already, and the question is, are we ready as producers or traders or sellers of these goods for some new international rules?

And this is one, the kind of issue that sometimes catches all of us by surprise. And so I think that it would help to have some indication from the government what kinds of steps they're taking already to deal with this.

Now once again, in dealing with this chapter 3 on these rules of origin, this agreement will set up a committee on rules of origin and origin procedures, and it'll have representatives from each country and they will be discussing and dealing with these particular questions for the products that we have from Canada and from all of the other countries. And I think it's important that Saskatchewan get their oar in the water on some of these issues now to make sure that we have, if not some of our people, at least some of our concerns already there when the first meetings take place because it will make a big difference in the long term in the value of the goods that we trade and in how simply the trade is done.

And so this whole battle . . . [inaudible interjection] . . . And I hear the Minister of Agriculture is wondering what I'm talking about. I think it's his people, it's his people who have the responsibility of dealing with this particular issue. We know that some of the rules of origin that have affected the cattle prices in Canada are ones that sort of came out of the blue. And so practically I think that we need to make sure that we have people thinking about this, looking at this, and reviewing this. And that's why, when you bring forward a motion that's kind of simplistic and doesn't actually deal with all of the kinds of issues here, then it basically sets it up so that we can raise some questions so that, on the record, there are some of these issues stated in a very clear fashion.

So in this whole section, it's interesting what kinds of things are included or not included. And there is an annex C to chapter 3 or article 3 which is exceptions to this article, which is called *De Minimis*, in other words, the things that really don't matter. But what it says is this article 3.11 will not apply to the following items. And the first one is:

> non-originating materials of heading 04.01 through 04.06, or non-originating dairy preparations containing over 10 percent by dry weight of milk solids of subheading 1901.90 or 2106.90, used in the production of a good of heading 04.01 through 04.06 other than a good of subheading 0402.10 through 0402.29 or 0406.30.

[19:30]

So basically this is where we've been seeing some of the press about this, and it relates to this expansion of foreign materials coming into other countries. And this is an area, but the next area is:

> non-originating materials of heading 04.01 through 04.06, or non-originating dairy preparations containing over 10 percent by dry weight of milk solids of subheading 1901.90, used in the production of the following goods:
>
> (i) infant preparations containing over 10 percent by dry

> weight of milk solids of subheading 1901.10;
>
> (ii) mixes and doughs, containing over 25 percent by dry weight of butterfat, not put up for retail sale of subheading 1901.20;
>
> (iii) dairy preparations containing over 10 percent by dry weight of milk solids of subheading 1901.90 or 2106.90;
>
> goods of heading 21.05;
>
> beverages containing milk of subheading 2202.90; or
>
> animal feeds containing over 10 percent by dry weight of milk solids of subheading 2309.90.

All of these things, you know, relate to the exemptions for certain kinds of products. And we know right now that if you end up buying some of the new kinds of Greek yogourt and other things like that, they have a substantial percentage of these milk fats that come from outside of Canada, and it's causing some difficulty within the dairy industry because we have a very large amount of liquid milk in our system, but we don't have a lot of these milk fats.

And so some of these rules, we don't know how they impact on what is already happening here, but I think it's why some of the dairy farmers of Canada are raising questions. It's also why the federal government has put in $4.3 billion to give to these dairy farmers over the next 15 years.

Now the next section here where there's this rule is not to apply is (c), and it's:

> non-originating materials of heading 8.05 or subheading 2009.11 through 2009.39, used in the production of a good of subheading 2009.11 through 2009.39 or a fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins, concentrated or unconcentrated, of subheading 2106.90 or 2202.90.

So once again this is where there's materials that are used in some of the fruit juices that come from some other sources, and it's saying that some of these rules are not going to apply.

It then goes on to talk about some other goods under the harmonized system, and then finally it talks about:

> non-originating peaches, pears or apricots of Chapter 8 or 20 of the Harmonized System, used in the production of a good under heading 20.08.

And I think practically what that is is that when you buy a certain kind of juice, there's often mixed into that peach juice or pear juice or apricot juice because sometimes they're somewhat cheaper than the designated juice that's on the cover or on the container of the juice that you buy. And so basically this whole chapter 3 around rules of origin has some important issues buried within it that I think bear careful scrutiny, especially by people in our Ministry of Agriculture, we look forward to hearing as this process unfolds. I mean clearly, until the text is finalized and then there's a signature if that comes, it's probably not going to be directly impacted. But we know that this work is here to be done, and so we look forward to the Minister of Agriculture working carefully with his staff even though that this isn't necessarily part of what he always is wondering about.

So now, Mr. Speaker, the next section is a section . . . And you always have to remember that the whole, the chapters that are here relate to all 12 countries. So sometimes chapters will come from a country other than Canada, but they always have applications right across the board. And so this chapter's title is "Textiles and Apparel." And some people think we don't have a clothing industry in Saskatchewan, but we do. And we have people who are, you know, making handmade textiles of various kinds, fabrics. We also have people who are designing clothes, and we also have a whole series of industrial providers of cold-winter clothing or work clothing. This is an important part of our Saskatchewan economy.

And what we need to make sure is that some of these rules that are created probably for trade between Vietnam and Japan, or Vietnam and Australia, or Vietnam and Canada don't have a negative impact on our Canadian production. But what happens is that there are rules around, where do the textiles actually come from? Where does the cloth come from that's used in making clothes? And as we all know, much of the cloth used in clothing around the world comes from places like China or Vietnam or India. Ethiopia is another country that produces a lot of cotton cloth. And some in the United States and I think some in, and probably quite a bit in Mexico, but practically then some of these rules are being set up around how, what rules apply.

Now one of the interesting sections in here, given that I enjoy wearing my Norwegian sweaters, is that they have a clause that specifically relates to certain handmade or folkloric goods. And so it says:

> An importing Party [I guess that could be me] may identify particular textile or apparel goods of an exporting Party to be eligible for duty-free or preferential tariff treatment that the importing and exporting Parties mutually agree fall within:
>
> a) hand-loomed fabrics of a cottage industry;
> b) hand-printed fabrics with a pattern created with a wax-resistance technique;
> c) hand-made cottage industry goods made of such hand-loomed or hand-printed fabrics; or
> d) traditional folklore handicraft goods.

Now the problem is this agreement doesn't apply between Norway and Canada, so I'm kind of out of luck there. But when you listen to this, what you can see is that it does apply for some of the kinds of batik cloth and things that are created in some parts of Asia, which then these things are quite popular right across North America.

Now, so practically then, these rules as it relates to textiles are quite specific. And they may have implications for us in Saskatchewan, but obviously this isn't an area that's as crucial as some of the issue around the GMO [genetically modified organisms] products and others that are listed in the previous chapter. So, Mr. Speaker, that's chapter 4 on textiles and

apparel but, practically, some of these issues that are mentioned here will show up in some of these other paragraphs.

So the next chapter that we're dealing with relates, the title is called "Customs Administration and Trade Facilitation." This is chapter 5, and basically it's a straightforward comment. It says, "Each Party shall ensure that its customs procedures are applied in a manner that is predictable, consistent and transparent."

Now that's a good goal for any government. I think we'd like some of those . . . I think some of those goals for some of the issues we were talking about the last few days here in this legislature — predictable, consistent, and transparent — that would be, I think, quite a good goal.

But what happens here is that, on the customs issues, they want to end up having a whole system whereby the information is provided, gives the opportunity for traders, for people who are buying and selling goods to get advance rulings as to what kinds of custom fees there might be in the operation. It also talks at length about how to put in some automated systems of analyzing the trade that does take place, and between Canada and the United States we've seen quite a few systems put into place on the immigration side. This is saying that on the customs side that should work.

We also know on the customs side between Canada and the US [United States] there are substantial pre-clearance arrangements before you get to the actual border. Well this clause that they have, or this section of this chapter in this agreement, deals with putting in some of those types of arrangements for the international trade between the 12 different countries.

So now for members at home who are wondering what all of the bellowing is in the background, I'd have to say that it's one of the members from Regina that is a fairly steady patter in the background. And it's almost as if I'm giving this speech over at Agribition, but unfortunately I will just continue and provide the information that's here.

What we know also is that the goal in this Trans-Pacific Partnership is to speed up trade and make trade happen as quickly as possible. And so it has provisions around express trade, express shipments, and things like that. Now practically once again, in this area it continues to say that the best practice is to have as much information available as possible, to have it as transparent as possible, so that anybody who is trading between the parties, between the countries, is able to do that in as efficient a way as possible. And why do we enter into these agreements? I think go right back to the original preamble clause, which then says that more trade and more exchange is good for all of society, even including reduction of poverty and dealing with increased, better public welfare for everybody.

So now we go to chapter 6, and this is trade remedies. And basically this builds on, and once again we have to remember that all of this refers back to the Marrakesh Agreement which created the World Trade Organization. And so each decade or each agreement that's reached tries to improve on things that aren't working so well in traditional trading arrangements and then setting forward some new ideas, some new plans. And I think that, you know, practically here one of the things that is being talked about is how to safeguard or protect your own domestic industry. So the first definition starts out, "domestic industry."

> **domestic industry** means, with respect to an imported good, the producers as a whole of the like or directly competitive good operating within the territory of a Party, or those producers whose collective production of the like or directly competitive good constitutes a major proportion of the total domestic production of that good.

[19:45]

So in other words, there's a domestic industry that provides most of the milk for a community, or most of some other product — most of the furniture or most of anything like that. What this attempts to . . . I mean the goal here is to set up some safeguards to make sure that you are not totally wiping out your domestic industries. Now we know that this becomes a concern. I think the clauses around the automobile manufacturing industry is one that's dealt with more specifically in another area but it is an example of a domestic industry that may or may not continue. I know in Australia for years they had their own automobile production, and I think they still have some but none of it is locally owned. It's all owned from some of the international companies and that ends up changing some of what happens in local communities. And the question becomes, how do you provide a balance in dealing with that?

Now what happens in this whole section, in the safeguard section, is that it tries to set some rules about how to protect domestic industries, but also, if they are damaged or if they are destroyed, what kind of compensation needs to be paid. Now I don't think this one specifically deals with the logging industry, but this is another one where Saskatchewan's a bit on the edge of the discussion in forestry and logging when the logging disputes arise with the United States. But often the issue becomes, well what's the compensation that is the perceived damage or the real damage in Oregon or Georgia or wherever the damage is perceived to take place?

And so what's happening in this particular section of this Trans-Pacific Partnership is trying to set out the rules that apply specifically to this agreement and then having them tied back to the GATT [General Agreement on Tariffs and Trade] agreement 1994, the Marrakesh Agreement. And so this issue is one where we need to watch pretty carefully what's happening.

And I know that some of the articles that look at this agreement in whole will refer back to this area about the compensation for damage to domestic industries, antidumping and countervailing, duty proceedings and the whole methods of protection. What we know is that under GATT we have some areas right now where Canada is contemplating some kind of countervailing duty to deal with some of the things that we've, some of the areas where we're trading right now. We know in the forestry or the logging that the agreements expired and something's going to happen, and we don't quite know exactly what.

And so once again we have these rules and these ways to resolve them. And they look good on paper until you get down to trying to enforce them and then obviously, as we'll see later, there's a whole appeal section which allows for countries or parties to appeal quite extensively. But that's what is designed

and that's what we accept. But I think we need to know whether any of our Saskatchewan businesses or products are going to get caught up in some of these processes, and that's why we need a thorough review of what's going on.

So the next chapter is chapter 7 and it's called "Sanitary and Phytosanitary Measures." This is one where I think the Minister of Agriculture and Food probably has lots of concerns and lots of interest, but it relates to the scope. It basically says:

> 1. This Chapter shall apply to all sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect trade between the Parties.
>
> 2. Nothing in this Chapter prevents a Party from adopting or maintaining halal requirements for food and food products in accordance with Islamic law.

So that's the scope of this chapter. But it's about food and it's about using kind of food rules to restrict trade. And I don't think we've gone a month in Saskatchewan without some article about some rule somewhere that's caused problems for a product, an agricultural product that we have in Saskatchewan that's bumped up against a trade rule. And so this is an area that we need to take a careful look.

So then I think obviously we start out with the definitions and clearly one that we need to look at is called import check, and that means:

> an inspection, examination, sampling, review of documentation, test or procedure, including laboratory, organoleptic or identity, conducted at the border by an importing Party or its representative to determine if a consignment complies with the sanitary and phytosanitary requirements of the importing Party.

I've been at the border south of Estevan there where trucks are being held up because a complaint's been made and it appears difficult to sort it out. I know when I was in my law practice, quite often we were getting calls from down there at the various brokers' offices where they needed some legal advice because there were barriers that were related to the sanitary or phytosanitary rules, the measures that were there. And so having a clear way of developing these and also then making sure that what's done is done in a fair way can go a long way to making sure that our trade is good.

So what are the objectives of this chapter? Well they're to "protect human, animal or plant life or health in the territories of the Parties while facilitating and expanding trade by utilising a variety of means to address and seek to resolve sanitary and phytosanitary issues." And so this is an area where, you know, the wording is a bit strange, a bit concerning because it says that a party can put in some provisions to protect human, animal, or plant life by utilizing a variety of means to address and seek to resolve sanitary and phytosanitary issues while at the same time facilitating and expanding trade.

And the way these clauses are put together, it almost says, well this is one of your tools as a party, as a country, when you're trying to expand your trade, is to create some of these rules. And this is exactly the kind of thing that we as Saskatchewan people, as Saskatchewan producers should be worried about. Because one of the big sort of goals of the government appears to be to, you know — which I think we agree with — is to expand the trade in food, both animal and plant life. And if in fact these parties, these 11 other countries have an ability to facilitate and expand trade by utilizing some of these rules in a way, we need to make sure that this clause doesn't set up a barrier for some of our trade. And so that one clause alone has some concerns.

But also the objectives around this phytosanitary and sanitary rules is to "reinforce and build on the SPS Agreement." Now the SPS Agreement [The WTO Agreement on the Application of Sanitary and Phytosanitary Measures] I think relates to the world trade kinds of issues as it relates to agriculture. And so it's basically to work with the existing agreements that are there.

The chapter also wants to strengthen communication, consultation, and co-operation between parties, and there's competent authorities and primary representatives that will work at that. And so I think what we will see once again in this chapter as we move forward is a setting up of another committee or at least some technical things to make sure there's an exchange of information.

The object is also there to make sure these measures implemented do not create unjustified obstacles to trade. And I think what we're concerned is that that particular (d) clause will override the (a) part, where it seems to hint that you could use some of these things to expand your own trade. And I don't think that's the intention of this, but words matter and so we need to raise that concern here. It also once again comments on enhancing the transparency of the whole process and making sure that all of the measures are clear, that all of the people who are doing the trading know what the sanitary and phytosanitary rules are.

And finally it's to "encourage the development and adoption of international standards, guidelines and recommendations, and promote their implementation by the Parties." So this whole section has clearly some good goals but it's a question of whether the goal of facilitating and expanding trade by one party against another using some of these rules or, as it says in another part here, making sure that these kinds of rules aren't developed into unjustified obstacles to trade, there appears to be a bit of a conflict in that objective section of this agreement.

Now this is the kind of thing that can be pointed out to officials. And as the matters are going forward it may be that the wording can be corrected, or that the wording is better in Spanish or French and we can have the wording come back to the English to correct any implications that seem to be there in this wording.

One of the parts of this is also, as I said earlier, to set up a committee. And so the parties, all the different countries, will establish a committee on sanitary and phytosanitary measures, and it's composed of government representatives from each of the countries. And that committee, obviously its job is to make sure these procedures work well, and hopefully that they prevent any of them from becoming unjustified obstacles to trade.

This committee actually has more instructions attached to it than all of the other committees we've seen so far, and I think that's a recognition that in this area there are problems that continually arise and people figure out new ways to create barriers to trade, using sanitary or phytosanitary measures.

Every time I see the word "phytosanitary," I remember our wedding day. And people will say, well what does that have to do with it? Well we received a bunch of gifts in the States that were plants, and somehow we had to get these plants to our home in Vancouver. And it turned out we had to go and get phytosanitary certificates for something like six house plants that we received as wedding gifts. And so every time I see that word, I think about some of those plants. We don't have them anymore. But maybe they were trying to restrict the ability of those American plants getting into Canada. I don't know. But anyway . . .

[20:00]

Now so one of the issues that's also recognized here, and it's a good clause and it's I think a positive statement, but basically this chapter also deals with the very good efforts around the world to develop pest- or disease-free areas, or areas of low pest or disease prevalence. And clearly we've had examples of some of these pest issues both in the livestock area and on the seed and plant and fruit area as well. And anything that can be developed in agreements like this to further the protection of whole areas of production from disease, I think is an important thing to do. And so if there's anything that we as Saskatchewan people can add to this mix, I think we should make sure that we are part of that.

So now another issue that comes in this area is a term called equivalence. And it's I guess in some ways a bugaboo no matter what topic you're on, but it always relates to the fact that the Saskatchewan legislature thinks they know better how to draft the law than the Alberta legislature or the Manitoba legislature. And every once in a while you have to set up a law that says, well your law that you've created in your jurisdiction is just as good as our law; you just did it in a different way.

And this agreement says that the parties are going to acknowledge that there's a recognition of the equivalence of sanitary and phytosanitary measures. And so in other words, we'll accept your rules saying these plants or animals are sanitary, and then in turn you accept ours. And this is one of those areas where it can become very, very contentious and, you know, we know a number of the livestock diseases have constant battles around equivalence of laws and who's doing what kinds of procedures, and how is that kind of protection there.

And so one of the questions here is, does this commit to equivalence without review of actual laws or does it have some more to it? And I think, you know, that it's still obviously being finalized in some ways, and this may be another area where our people in our department take a good hard look at what's here to make sure that we're not caught again in some issue that arises.

Now there's a clause directly . . . [inaudible] . . . science and risk analysis. I think that's a signal that it's important to use scientific evidence in developing this, but it's also a signal or a warning that sometimes these rules are created, not based on science, but on something else. And so how one challenges rules that have no scientific basis or little scientific basis becomes a major issue in the long-term use and enforcement of an agreement like this.

So once again, as a province that has a big or strong agricultural base, this whole area needs to be, I think, carefully watched by our Minister of Agriculture and the civil servants who work with him in this area and possibly some of the public health people as well.

And so because we will be in some way tied in with all this, and if we don't totally understand how it affects what we're doing, then it could cause us some difficulties. And the last thing we want is for some of our traders, some of our people selling goods into other countries to come to us and say, what's this rule? We didn't know about that. And so I think that this whole area around sanitary, phytosanitary requirements, the certificates that are involved, and the ability to move plants or animal products back and forth across various borders, is important — very important for Saskatchewan — and we hope that work is done to make sure that these things are protected.

Now it's also interesting to note, and this goes back to some of my years as Attorney General and then as Health minister, that this particular chapter includes a clause on emergency measures. And these kinds of situations, and it talks about different situations that may arise, do affect trade. There's no question about that. But sometimes there are also questions that relate to spread of disease, protection of public in general, and also protection of water sources and things like that. And so this section on, I guess it's article 7.14, says that:

> If a Party [and if a country] adopts an emergency measure that is necessary for the protection of human, animal or plant life or health, the Party shall promptly notify the other Parties of that measure through the primary representative and the relevant contact point . . . The Party that adopts the emergency measure shall take into consideration any information provided by other Parties in response to the notification.

And I think this is clearly important that this whole situation is dealt with in as expeditious a way as possible. But I think it's important that it's here, because it says that basically an emergency in one country is not going to be contained to that country and, given our modern world, it's going to be in all 12 of these countries and possibly into the whole world circuit very, very, very quickly. And so the importance of moving back and forth very quickly is important.

So anyway it's a whole area of importance for what we're doing, but once again, it's in a trade agreement because these types of rules, these sanitary and phytosanitary rules, have been used either explicitly or indirectly to affect trade. And so by putting them right here, it identifies that they are concerns that need to be addressed by all of the countries involved and that need to be monitored by all the countries involved.

So the next chapter we're going to get to is a chapter on technical barriers to trade. And this whole one, once again it's

here because countries do set up, I guess, complicated ways of keeping certain products, certain kinds of things out of their country. And when that happens, it does affect trading and it does affect what kinds of things can be done.

So in this particular chapter, the objective ". . . is to facilitate trade, including by eliminating unnecessary technical barriers to trade, enhancing transparency, and promoting greater regulatory cooperation and good regulatory practice."

Now this kind of language is language that we've seen in our Agreement on Internal Trade in Canada, in some of the Western Canada trade arrangements. And there's always positives to it, but there's also some parts that can create some difficulty. And so here we have one that affects 40 per cent of the world's trade. And I think it's important that we understand what kind of technical barriers we have that may be affected by some of the provisions here, because clearly the goal is to lower the barriers and allow for more goods from other places to enter here in the same way that our goods can enter into many new markets around the world.

And often as a smaller jurisdiction we end up not benefiting to quite the same extent that we think. Maybe some of the larger corporations will get some benefits, or corporations that are centred somewhere else but do a lot of business in our area, they may get some benefit. But some of our local businesses, the small, medium enterprises that are dealt with in a different chapter, they don't do as well.

And so these rules in this whole area once again are quite detailed, and they attempt to, I think, address various things that countries have done to restrict trade using their rules. And because most countries want to protect what they think are their own unique ways of protecting their trade through technical regulations or conformity assessments or other kinds of regulations — I guess this is the red tape part of this Trans-Pacific Partnership agreement — then there's a lot of words here, because every country is trying to protect the kinds of things that they do right now.

And I think our response when we look at this is to say, well this is a protection for many of our businesses in Canada as well. And so ultimately it comes down to how you reduce or remove some of these barriers that are going to be of benefit to everybody, while at the same time keeping those rules that protect something that's important for Canadians.

And once again, what this agreement does under article 8.1 is to set up a committee on technical barriers to trade. And it seems like each chapter we get into, the number of tasks given to the committee gets longer and longer. And so this committee's job is to basically say, and I think the language is quite telling, it says:

> Through the Committee, the Parties shall intensify their joint work in the fields of technical regulations, conformity assessment procedures and standards with a view to facilitating trade between and among the Parties.

And I think, you know, we've heard that kind of language talking about some of our trade agreements in Canada is about that intensifying the work. And what it often means is, well yes, look hard at this stuff, but be careful. Don't give up anything that we've got that we want to protect. And so part of the challenge here is to make sure that it's transparent, what's going on; make sure that our industries, our traders know what the rules are. And then I think it also is what I would call a listening committee, a committee that listens very carefully to various business segments, industry segments as to the kinds of rules that don't make any sense to them.

[20:15]

I know that some of us have spent a number of years on the Council of State Governments; Midwestern Legislative Conference Canada, Midwest relations committee. And at every meeting that we go to, we have some discussion about the type of work that this committee is going to do; in other words, the trucking industry will say, look, if you just made the rules the same on both sides of the border, it would be a lot easier for us in certain areas. And we do some of that, but it always seems to take awhile.

Agriculture, there are different standards for certain kinds of products that become a problem. We know that things like breakfast cereals, there are different standards on one side of the border from the other here in North America. And then when you use the same kind of discussion around 12 countries, you can just imagine the discussions that are there and the types of protections that people are concerned about versus how you can do that. And so here we have another committee on technical barriers to trade, and it's going to intensify the joint work on dealing with red tape on international trade.

So I think, you know, it's good that it's here, but I think the amount of discussion, the ways that they've described the different activities that they're going to do, it's clear that this is an area where everybody knows that there's a lot of work to do. So that's the chapter.

Then we get into the annexes to chapter 8, and the first one is one that is quite interesting. We go immediately into wine and distilled spirits, so this annex applies to wine and distilled spirits. Effectively I think it's a way for countries to protect and nurture their own businesses in the wine area and distilled spirits area. So I think the wording is important for Canada, and for us here in Saskatchewan, because it does relate to some of the ways that we create some space for development of industry like that.

Clearly Australia or New Zealand or the United States would be quite willing to have wide open rules on sales of wine and distilled spirits, and it would cause a substantial disruption in some of the areas of our country that have been able to slowly but surely develop some very good skills in making some good wines that are available around the world. But they do have a cocoon of protection which we don't always acknowledge and understand. And so how we deal with that becomes then a part of this agreement.

So the key point, I think, is that each party, each country shall make information about its domestic laws and regulations concerning wine and distilled spirits publicly available. In other words, if you do have rules that protect your industry in Canada, well you are required to make them public, make sure

everybody understands what they are, and make sure that everybody has an understanding of that protective thing that you're doing.

It also requires that there are clear, specific, truthful, accurate, and not misleading-to-the-consumer labels on wine and spirits, and that these labels are legible to the consumer and that the labels are firmly affixed. So that's kind of interesting that in an agreement like this, it gets down to something as straightforward as that. But I think what it's getting at is that labels are important. We don't want counterfeit or substitute alcohol getting special treatment in various countries, and this area is an area of concern as far as international trade is discussed in the agreement.

So this annex really sets out a lot of detail about the product, the wine product and how it can be protected. And clearly the reason for that detail is the fact that there are some very special trade rules that do protect in a national way some of the products that come from various parts of the world. And as we know, there's probably wine produced or some spirits produced in every one of the 12 countries. Some of them are very local, but some of them are very transportable across the Pacific Ocean to other parts of the whole region. So that's the first annex to chapter 8.

The second annex relates to information and communications technology products. And this goes back to something we were talking about this afternoon, and that relates to cryptography. So they very clearly defined four terms in this section, and the first one is cryptography. And it means:

> the principles, means or methods for the transformation of data in order to hide its information content, prevent its undetected modification or prevent its unauthorized use; and is limited to the transformation of information using one or more secret parameters (for example, crypto variables) or associated key management.

So that's the description of cryptography.

And then the next definition is the definition of the word "encryption" and:

> encryption means the conversion of data (plaintext) into a form that cannot be easily understood without subsequent re-conversion [or] (ciphertext) through the use of a cryptographic algorithm.

So okay. Well then the third definition is cryptographic algorithm or cipher. And a "cryptographic algorithm or cipher means a mathematical procedure or formula for combining a key with plaintext to create a ciphertext."

And then the fourth definition is the word "key." And so the word "key" means:

> a parameter used in conjunction with a cryptographic algorithm that determines its operation in such a way that an entity with knowledge of the key can reproduce or reverse the operation, while an entity without knowledge of the key cannot.

So in other words, this section relates to that ability to basically put information that's important into a secret form and then transmit it or do whatever with it, store it, and then use a key to get back in and actually see what the information is. And so this, it's attached to this particular chapter because there are concerns — and I think primarily in the United States, but I think probably in Japan and in Canada — around the ability to protect intellectual property in this whole area of information technology.

And I think a little later, although maybe I should reference some of that now, is comments that have come from Mr. Balsillie from BlackBerry business. And he's quite concerned about what we have done here, and he's not alone. And I know Mr. Michael Geist has also raised some issues in this area. But Mr. Balsillie says that protecting the kind of intellectual property that he and his partners had in BlackBerry is going to be quite difficult under this Trans-Pacific Partnership, or it needs to be much better explained how it's going to be protected. And the concern is that the rules that Canada has had, which have been beneficial to the IT [information technology] business, will be changed, and virtually what's happening with this agreement is that the US rules are being overlaid over the 12 nations.

And so I think I will once again go to Mr. Michael Geist from University of Ottawa and use his article as a way to describe this concern that comes up in this area and then some subsequent chapters.

So Mr. Michael Geist writes on November 18th, 2015, and the title of his piece here is *Why the TPP is a Canadian Digital Policy Failure*. He says:

> The official release of the Trans-Pacific Partnership, a global trade agreement between 12 countries including Canada, the United States, and Japan, has sparked a heated public debate over the merits of the deal. Leading the opposition is Research in Motion founder Jim Balsillie, who has described the TPP as one of Canada's worst-ever policy moves that could cost the country billions of dollars.
>
> My weekly technology . . . column [the Toronto Star version] notes that as Canadians assess the 6,000 page agreement, the implications for digital policies such as copyright and privacy should command considerable attention. On those fronts, the agreement appears to be a major failure. Canadian negotiators adopted a defensive strategy by seeking to maintain existing national laws and doing little to extend Canadian policies to other countries. The result is a deal that the U.S. has rightly promoted as "Made in America."
>
> In fact, even the attempts to preserve Canadian law were unsuccessful. The TPP will require several important changes to domestic copyright rules including an extension in the term of copyright that will keep works out of the public domain for an additional 20 years. New Zealand, which faces a similar requirement, has estimated that the extension alone will cost its economy NZ$55 million per year. The Canadian cost is undoubtedly far higher.

> In addition to term extension, Canada is required to add new criminal provisions to its digital lock rules and to provide the U.S. with confidential reports every six months on efforts to stop the entry of counterfeit products into the country.
>
> While these are all changes that reflect U.S. standards, there was little effort to promote some of Canada's more innovative copyright policies in the agreement. The U.S. has allowed Canada to keep its "notice-and-notice" policy for Internet providers, but on the condition that no other TPP country may adopt it. Meanwhile, Canadian policies that promote user generated content, limit statutory damages, or establish consumer exceptions are all missing from TPP.
>
> The absence of Canadian policies in the agreement is also reflected in the privacy and e-commerce provisions. Canada features national privacy laws, but the TPP allows countries to meet the privacy requirements with enforceable "voluntary undertakings," a nod to the weaker U.S. approach. Similarly, Canadian net neutrality regulations and anti-spam rules cannot be found in the TPP, which instead features watered-down versions of each.
>
> The TPP also bans certain digital protections that may come back to haunt Canadian policy makers.

I think he's referring to us as legislators.

[20:30]

> For example, it restricts legislative initiatives that require storage of personal information in Canada or that limit data transfers outside the country.
>
> It also creates a ban on rules requiring the disclosure of software source code found in mass-market products, a provision that has cyber-security experts and consumer advocates concerned about the implications for detecting harmful software or products that fail to comply with consumer protection or environmental standards (such as Volkswagen's emissions violations).
>
> The agreement even reverses the longstanding Canadian hands-off approach to the Internet. While Canada has previously rejected regulation of the domain name system, the TPP mandates domain name registrant information disclosure requirements and intellectual property protections for each country-code domain, a remarkable intervention into Internet policy.
>
> Failure to . . . comply with the agreement would subject the Canadian government to potential lawsuits under the TPP's investor-state dispute settlement rules. With Canada already facing a $500 million lawsuit from Eli Lilly over its patent rules, the TPP could usher in a wave of claims focused on challenges to flexible copyright rules, privacy protections and net neutrality regulations.
>
> Proponents of the TPP will likely point to gains in other areas to justify support for the deal. Yet digital policies form the backbone of the innovation economy, which may be hamstrung by an agreement that does little to advance Canadian law and policy.

That's the opinion of Michael Geist. He is a careful, thoughtful writer about IT law, and I think we should listen carefully to people like him as this matter proceeds forward.

And so practically, this whole area of protection of the cryptography is just the start of some of these issues. Some of the other items that he's referencing we will hit as we move into further chapters in this agreement.

So the next section of this one, as it relates to information and communication technology products, talks about developing compatibility of the various equipment products and that there's a goal to, you know, continue that compatibility. Clearly that's not there and we know that or we see that in various products that are in use. It's much better than it was a few years ago but it's still a concern.

Also covered in this area around the technical barriers to trade are pharmaceuticals. And this is another area where people have raised concerns from a number of different angles, but I'll tell you a bit about the annex here, which is called 8-C, and then I will refer to some comments that we get from some other sources. And once again this is just the first crack at dealing with pharmaceuticals. There's more as we proceed into some of the other chapters.

But effectively this pharmaceutical annex applies to:

> the preparation, adoption and application of [all] technical regulations, standards, conformity assessment procedures, marketing authorisation and notification procedures of central government bodies, other than technical specifications prepared by governmental entities for production or consumption requirements of such entities, and sanitary or phytosanitary measures, that may affect trade in pharmaceuticals products between the Parties.

And so it's talking about these rules and these technical rules and once again transparency's the key. The idea is to make sure that this information is available so that companies trading in this area will know what the information is. But it also spends some time talking about how to share information, and part of the difficulty is that it appears to be getting at some of the concerns coming from the United States around how countries around the world will produce pharmaceuticals in ways that they think are causing difficulty for the pricing of their products in United States and around the world. And so it's an interesting point and we'll see how this affects what happens with pharmaceuticals.

I do have some information though that registers some major concerns about this. And one of the first articles is from . . . There's an article from basically *The New England Journal of Medicine* and then also from the Médecins Sans Frontières, the Doctors Without Borders. And I'm going to start with these two. I also have some more information from members of congress in the United States.

So the first issue, and this is one actually written in July by a

lawyer named Amy Kapczynski and it's quoted in *The New England Journal of Medicine* dated July 16, 2015. And I guess the citation would be 373, pages 201 to 203. And this one is titled, "The Trans-Pacific Partnership — Is it Bad for Your Health?" And basically the article goes like this. It says:

> International trade deals once focused primarily on tariffs. As a result, they had little direct effect on health, and health experts could reasonably leave their details to trade professionals. Not so today. Modern trade pacts have implications for a wide range of health policy issues, from medicine prices to tobacco regulation, not only in the developing world but also in the United States.
>
> The Trans-Pacific Partnership Agreement is a case in point. A massive trade deal now reportedly on the verge of completion, the TPP has nearly 30 chapters. A draft chapter on intellectual property alone runs 77 single-spaced pages.

Now I have to make a comment. This article is dated July, and they're dealing with some chapters. They don't have the whole agreement like we do now in November, but basically the point that this writer is making in the summer is that there are a number of issues that do affect health.

And so some of the protections that have been developed are in a situation where the cost of medicine is going to be affected and nobody knows exactly how it's going to be affected. And so what we do know though is that some venture capitalists have been purchasing old drugs or the rights to produce old drugs and dramatically increasing the prices because their argument is it's become more of a boutique type of drug. What this writer is identifying, as a trade lawyer, is that there are a number of things that are happening that will raise some questions about the costs for pharmaceuticals and for what is happening in this document that we're looking at tonight.

The second article that I have is dated November 5th, and so this is after the text is out. It's a brief official press release issued from Doctors Without Borders. It goes this way, and it's November 5th, 2015:

> The Trans-Pacific Partnership (TPP) is a trade agreement negotiated between the U.S. and eleven other Pacific Rim nations: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. After more than five years of negotiations conducted in secret without the opportunity for public review, the agreed text, which will now be submitted to national processes for final signature and ratification, has been officially and publicly released. Doctors Without Borders/Médecins Sans Frontières (MSF) remains extremely concerned about the inclusion of dangerous provisions that would dismantle public health safeguards enshrined in international law and restrict access to price-lowering generic medicines for millions of people.
>
> MSF statement by Judit Rius Sanjuan, US manager and legal policy advisor for MSF's Access Campaign:
>
> MSF remains gravely concerned about the effects that the Trans-Pacific Partnership trade deal will have on access to affordable medicines for millions of people, if it is enacted. Today's official release of the agreed TPP text confirms that the deal will further delay price-lowering generic competition by extending and strengthening monopoly market protections for pharmaceutical companies.
>
> The TPP is a bad deal for medicine: it's bad for humanitarian medical treatment providers such as MSF, and it's bad for people who need access to affordable medicines around the world, including in the United States.
>
> At a time when the high price of life-saving medicines and vaccines is increasingly recognized as a barrier to effective medical care, it is very concerning to see that the U.S. government and pharmaceutical companies have succeeded in locking in rules that will keep medicine prices high for longer and limit the tools that governments and civil society have to try to increase generic competition.
>
> For example, if enacted, the TPP will not allow national regulatory authorities to use existing data that demonstrates a biological product's safety and efficacy to authorize the sale of competitor products, even in the absence of patents. The TPP would also force governments to extend existing patent monopolies beyond current 20-year terms at the request of pharmaceutical companies, and to redefine what type of medicine deserves a patent, including mandating the granting of new patents for modifications of existing medicines.
>
> The provisions in the TPP text will not only raise the price of medicines and cause unnecessary suffering, but they also represent a complete departure from the U.S. government's previous commitments to global health, including safeguards included in the U.S.'s 2007 "New Trade Policy."
>
> It is not too late to prevent further restrictions on access to affordable medicines in the TPP. As the text now goes to national legislatures for final approval, we urge all TPP governments to carefully consider whether the agreed TPP text reflects the direction they want to take on access to affordable medicines and promotion of biomedical innovation; if it does not, the TPP should be modified or rejected.

And so this is a press statement from Doctors Without Borders on November 5th. That's a couple of weeks ago. And it sends up a lot of red flags about this agreement. And I'm still dealing in a section, in the annex parts, as it relates to some of the rules and regulations.

The next annex area is Annex 8-D and this is around cosmetics. And so people often don't think about the competitive world in cosmetics, but clearly there's a lot of money to be made in this area, and the trade and the protection and the rules are once again a subject of great discussion between the various countries. And there are technical aspects for production of cosmetics that relate to chemicals or the other things that are there, but it also has this very interesting mix of sanitary and

phytosanitary measures because clearly cosmetics that have problems, in that they create disease or injury to individuals, also need to be dealt with in a very direct way.

[20:45]

So there are quite a few pages dealing with these cosmetic issues, and once again it comes down to a number of issues around protective regulations from a national basis, the fact that products need to be very carefully labelled with authorizations and notification numbers. And anybody who watches some of these *CSI* [Crime Scene Investigation] or some of these other shows on TV knows that you can end up tracking down batch numbers for things like cosmetics, and this is an example of where that kind of information is being used in trade regulation. And so this whole chapter is about trade regulation being done in a way that limits the ability of products to be marketed more broadly, and it's also about the use of trade regulation to protect your own local companies.

And so cosmetics is once again another area where it's going to be part of the committee for discussion, and they're going to set up good practices and try to keep track of all this. And as we know, every time you set up another rule for a product like this it means that the product costs more money. And I think it's clear to many of us that cosmetics are expensive already and, you know, there's obviously lots of money to be made, but also to make sure you buy safe products that are protected internationally. This is maybe part of that process, but I think it's more dealing with trying to protect your own local products in some way through a regulatory net or regime.

So the next annex on chapter 8 is called . . . It's 8-E, and that's medical devices. And in this area the medical device is assigned the term from the global harmonization task force final document entitled "Definition of the terms 'Medical Device' and 'In Vitro Diagnostic Medical Device.'" And so effectively it's saying once again that medical devices and the regulations around medical devices are an important regulatory area that also needs to be looked at very carefully so that the rules don't restrict trade or try to protect production in a particular country, and also at the same time make sure that they meet international standards so that patients are protected, that the clinical data that's recovered from the medical devices is at a standard that's going to provide the best care for individuals.

And so it's interesting that the devices will be regulated by different countries, and so one of the questions comes once again about equivalence and whether regulation by one country will be good in other countries. I think in this area they're quite careful to say that each party — in other words, each country — will:

> . . . make its determination on whether to grant marketing authorisation [in other words, the ability to sell in a particular country] for a specific medical device on the basis of:
>
> (a) information, including, where appropriate, clinical data, on safety and efficacy;
>
> (b) information on performance, design and manufacturing quality of the product;
>
> (c) labelling information related to safety, efficacy, and use of the product; and
>
> (d) other matters that may directly affect the health or safety of the user of the product.

And so once again there's this discussion about transparency and about how this kind of work is going to be done.

Clearly the rules in place in the 12 countries will be part of the discussion. We have a separate system of registering our equipment in Canada than the United States although there's much more co-operation than there had been, but there still are times when we might approve something that they don't approve or vice versa. Add in 10 more countries — and Mexico has been part of a lot of things we do in Canada and the US — so you add nine more countries and there are a whole number of areas that I think will affect this.

I know many, many years ago — it probably was, I guess, 10 years ago — I went to China as part of an advisory group to talk with . . . it would be like the priorities and planning committee of our cabinet. It was the central committee on health issues. And one of the issues was related to medical devices and to pharmaceuticals. One of the problems they had in their modernization of their health system to make it more . . . I'm not sure what's the word. It was more market driven, I think was the term they used. And the problem they had was they had 6,000 producers of pharmaceuticals and so the doctors in a particular town were required to use all the drugs that were produced in their town, whether they were any good or not. Similar rules around medical devices.

And so I think that sometimes some of these value-added kinds of products can end up being ones that there are some clear rules, regulations in place to protect other places from them, but there are also times when those same rules are used to interfere with trade. And so this fine balance in this particular section, I think, relates to some of those issues.

The second-last annex to chapter 8 is 8-F, and it's called "Proprietary Formulas for Prepackaged Foods and Food Additives." And this is another interesting one and it basically says:

> The Annex applies to the preparation, adoption and application of technical regulations and standards of central government bodies that are related to prepackaged foods and food additives when sold as such, except that it does not apply to technical specifications prepared by governmental entities for production or consumption requirements of such entities or sanitary or phytosanitary measures.

But I think what they're getting at is that they're going to try to set standards, if they can, across the 12 countries so that if one place basically approves a formula for prepackaged food or approves the types of ingredients that are in that food, it might be possible to have it move right through all of the 12 countries. I think that this is an ambitious task. But once again, it's an area where there's a way of preventing trade or, you know, you can keep out some soup product that's produced in one country from another because well, we just don't know what's in there,

you know; that kind of a response.

And so I think that once again, this agreement or this trade arrangement is good in that it identifies issues, but I don't think it always has the answers. And clearly, being part of the discussion, being part of the consultation is absolutely crucial as this thing moves forward.

And the final annex to chapter 8 is 8-G and this is organic products. And once again, this is an issue that's important for Saskatchewan. And basically what it says is that it:

> . . . applies to a Party [so it applies to a country] if that . . . [country] is developing or maintains standards, technical regulations, or conformity assessment procedures relating to the production, processing, or labeling of products as organic for sale or distribution within its territory.

The second paragraph then says:

> Parties are encouraged to take steps to:
>
> (a) exchange information on matters relating to organic production, certification of organic products, and related control systems, as appropriate; and
>
> (b) cooperate with each other to develop, improve, and strengthen international guidelines, standards, and recommendations related to trade in organic products.

Now if there's any place where our Minister of Agriculture and civil servants should get involved, I think this would be an area that is important for the future of Saskatchewan, because there's no question that organic products and how those are defined will become a major economic driver in Saskatchewan and in Canada.

So that chapter 8 had a lot of pieces in there. And it's given us a bit of a foretaste of what's coming up in following chapters because we'll come back in some more specific, more things on pharmaceuticals and IT and some other areas.

Now the next few chapters are interesting in that they get into investment and business services and the cross-border trade in services, financial services. And all of these kinds of things are sort of without rules in some ways, but have many rules. And so I think we'll need to take a look at some of these too, because it relates to things like credit cards you've got in your pocket. And you can go to the other side of the world, get money out of your bank account in Saskatchewan. So how does that work? Like how are the rules, and where does all that come from?

Well some of that will be in this agreement, but there are already existing arrangements or agreements within the banking world where this has to kind of catch up to what they've already been doing. And so I think we need to take a little bit of a look at this.

So chapter 9 is called "Investment," and this is actually one of the ones that Michael Geist referred to and some of the others referred to in their discussions because what it involves is how you settle disputes and what the conventions are. So basically the first definition that they have in this chapter is, "**Centre** means the International Centre for Settlement of Investment Disputes (ICSID) established by the ICSID Convention." And that's the one that allows for claims by companies against a country for something that one of their businesses have done.

And when we had the reference to Eli Lilly suing the Canadian government for $500 million, it's through this kind of a process. And so what happens is that this chapter's quite long because it tries to go through all of the different rules about how to set some of these or how to resolve some of these issues, but it has many things.

So the chapter's titled "Investment," so it defines the term investment. And it . . .

> **investment** means every asset that an investor owns or controls, directly or indirectly, that has the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain or profit, or the assumption of risk. Forms that an investment may take include:
>
> an enterprise;
>
> shares, stock and other forms of equity participation in an enterprise;
>
> bonds . . . [debts], other debt instruments and loans;
>
> futures, options and other derivatives;
>
> turnkey, construction, management, production, concession, revenue-sharing and other similar contracts;
>
> intellectual property rights;
>
> licences, authorisations, permits and similar rights conferred pursuant to the Party's [the country's] law; and
>
> other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens and pledges.

So one of my old favourites, covered bonds, I think they're covered in the futures options and other derivatives, or they're sort of halfway with the bonds and debentures.

[21:00]

But I think our Minister of SaskBuilds, some of his favourites are all under this topic: "turnkey, construction, management, production, concession, revenue-sharing and other similar contracts." So investment is a very broad term.

And then it goes on. One thing it says investment is not, an investment is not ". . . an order or judgment entered in a judicial or administrative action." In other words, you can't use this procedure to enforce a judgment that you're getting on somebody.

Investment agreement then is the next defined term, and this is "a written agreement." And then it goes to say:

> For greater certainty, a written agreement that is concluded and takes effect after the entry into force of this Agreement does not include the renewal or extension of an agreement in accordance with the provisions of the original agreement, and on the same or substantially the same terms and conditions as the original agreement, which has been concluded and entered in force prior to the entry into force of this Agreement.

So basically they're saying that this whole thing has to be going through all the processes, and everything's in force and you can't try to get an old agreement that you've got and rewrite it and somehow get it included so it's under this new TPP [Trans-Pacific Partnership] because you like some of the ways of enforcing that agreement under the TPP. And so it's a clause saying that this is a prospective kind of thing. And the reason I'm sure for that, from reading this but also from looking at commentary from lawyers, is that there are some pretty substantial rights that are being given in this TPP, and we all need to understand how and why these rights are given and how and where they will be enforced. And so anyway, the investment agreement states clearly it has to be written. They're not going to be enforcing any deals that are handshake deals.

But then it goes on to talk about the party and all of these kinds of issues. And it deals with things like, you know, natural resource agreements. So that's all of the natural resources. It deals with supply of services. Actually I think it's worth taking a closer look at this because it says:

> . . . means a written agreement that is concluded and takes effect after the date of entry into force of this Agreement [and so this is] between an authority at the central level of a government of a Party and a covered investment or an investor of another Party and that creates an exchange of rights and obligations . . .

So basically it's a government or an authority owned by one country and they make a deal with an investor from another country. Then this whole clause is going to kick into effect. And obviously this is a kind of clause to try to protect large amounts of capital that go into oil and gas projects, mining projects. So you look at the description. So it says:

> with respect to natural resources that a national authority controls, such as oil, natural gas, rare earth . . . [metals], timber, gold, iron ore and other similar resources, including for their exploration, extraction, refining, transportation, distribution or sale;
>
> [or] to supply services on behalf of the Party for consumption by the general public for: power generation or distribution, water treatment or distribution, telecommunications, or other similar services supplied on behalf of the Party for consumption by the general public; or
>
> to undertake infrastructure projects such as the construction of roads [and we refer right back to question period today], bridges, canals, dams or pipelines or other similar projects; provided, however, that the infrastructure is not for the exclusive or predominant use and benefit of the government.

So anyways, this whole clause in this ICSID agreement . . . And there's arbitration rules. There's all kinds of things that are involved in here, and effectively it's these . . . This is the area that many commentators are concerned because it's not entirely clear what the limits are on the claims that are available against countries. And Canada, as I say, has been subject to some of these kinds of claims over a number of years. And what that does is that it puts at risk, you know, our country and our taxpayers' money, but it also gives sort of a leg up to some of these international suppliers.

And I mean this clause and this area is of big concern to us here in Saskatchewan because the present Government of Saskatchewan has been entering into agreements with multi-country organizations. And so there's usually some component from Canada, but we've got components from France. We've got other parts around the world. And so the question becomes is, if there are problems, do some of these rules here step in and override whatever kinds of protections are in the contracts that have been negotiated? And we don't know that because we don't necessarily get to see some of those kinds of clauses in the contracts that we have.

And this is the area where Canadians are concerned generally about how some of this work is done. And obviously the reason to put these kinds of clauses in contracts is to provide assurance to large sources of capital that they can invest that capital and get a return on the money that's there. But at the same time, there's also concern that all of these things are done properly.

For those people at home, I have not returned to Agribition — I think Agribition's closed — it's just some of the general bleating that we have from the government side during evening discussions.

But anyway, I will continue to talk about this particular area, and I know that there are concerns that arise by many people as they look at this. And practically some of the concerns that have come relate to the litigation that arises, then how long it takes to sort out some of these kinds of issues.

But this chapter is made for the lawyers. I think it will create lots of legal work for many younger lawyers, and it's the kind of case that sometimes will be a career-making one. In other words, you'll be working on it for 35 years and still not be totally resolving it.

But how that works or how that provides protection, I think what we have to do is once again step back and say, why would a clause like this be in this type of agreement? And clearly it's about protection of capital. It's about protection of people who put money at risk. And the question we have is whether the protection is too strong or it's too weighted in favour of one side, or if in fact there's more that should be done to provide some kind of a balance.

The countries that are involved in the Trans-Pacific Partnership at this time, many of them now do have, you know, fairly substantial legal systems and protections for contracts, but this adds another layer of protection if you're an investor. So the goal obviously is to understand how that works.

And so the ICSID rules and how they all apply is all laid out in

this legislation. It has the arbitration clauses. It has various appeals that are available, and it has a number of the kinds of things that ultimately will result in resolution of issues. But once again, when you've gone through the 34 pages of the various rules, then you get into some of the annexes. Once again it's the annexes where you can identify issues that may be of concern.

And the first annex in this section is called "Customary International Law," and this says that:

> The Parties [so all 12 nations] confirm their shared understanding that "customary international law" generally and as specifically referenced in Article 9.6 (Minimum Standard of Treatment) results from a general and consistent practice of States that they follow from a sense of legal obligation. The customary international law minimum standard of treatment of aliens refers to all customary international law principles that protect the investments of aliens.

And all I will say as a lawyer is that every word in there is put in there very carefully and has substantial I think protections. But it's about making sure that you get all 12 nations signing on the dotted line that there is a minimum standard of treatment, and then the rules are there about how you get to understanding that.

The next annex to chapter 9 is annex 9-B, and this is about expropriation. And that's an interesting one. Sometimes discussions arise in a country. I think it, you know, happened fairly recently that there's some discussion about expropriation of a mine in South America. And the question then becomes, well what's the exact compensation? We know there have been some similar issues in I think Kazakhstan and Kyrgyzstan related to some mining properties. And clearly mining is a good example of where expropriation is the only remedy, or the expropriation process, which also includes compensation. And so practically what is done here is it says that, you know:

> The Parties [in other words, the 12 nations] confirm their shared understanding that:
>
> An action or a series of actions by a [country] . . . cannot constitute an expropriation unless it interferes with tangible or intangible property right or property interest in an investment.

So in other words, it's trying to define what kinds of things will constitute expropriation and then goes into international law around compensation.

So the next annex is annex 9-C, and this one relates to expropriation relating to land. So the first one was expropriation just of property located in a country. The second one is land that may be owned by a company. And who knows? This kind of a clause may apply to some land in Saskatchewan that, if the laws are changed such that people are no longer qualified to be owners of land in Saskatchewan, that you'd end up having to have some dispute that arises under this. And once again, the Minister of Agriculture and officials there may want to see how this affects some of the sale of land that's been contemplated recently.

The next annex is an interesting one, but it's basically pretty stand forward. And it sets out, if there are lawsuits that are started or procedures that are started under this legislation, it sets out who is served with the documents to start the dispute. And for Canada, I'm pleased to see it's the office of the Deputy Attorney General of Canada at the Justice Building in Ottawa. And every country has its designated official in the document, and that's good.

Then we go on. Annex 9-E, and this is transfers, and so this is a specific clause related to Chile. And they reserve the right to do some transfers of their . . . I guess reserves the right of the Central Bank of Chile to maintain or adopt measures in conformity with their Chilean laws in order to ensure currency stability. And so in other words, they had some concerns that some of these rules would affect their ability to deal with their own financial issues in Chile, and they put in a special arrangement — which is what the annexes are.

[21:15]

Chile has also put in an annex 9-F, and it also, I think, deals with their foreign investment statutes and making sure that they continue in force. And I think a lot of those do relate to some of the things that have happened in the mining industry over many decades, and they want to protect the kinds of rules that they have set up which may actually be in conflict with some of the things that are in this agreement.

The next annex is 9-G, and that relates to public debt. And this says that all of the countries signing this agreement recognize that the purchase of debt issued by a country entails commercial risk. And so effectively it says that public debt cannot be enforced through some of these procedures, because somebody buying the debt of another country presumably is a sophisticated investor and knows that there's risk involved in buying debt from a country, and that's just how it goes. So that's why Canadian-US governments will have very good credit ratings, because the risk is quite low. But if you buy debt from some other countries in the world, you might get higher interest rates but you also get yourself into some possible messes with higher risk.

The next annex is 9-H, and this relates to certain specific decisions. And so practically it exempts I think certain decisions, and one of them is in Australia. They have a foreign investment policy and some of these rules are protected. In Canada we have:

> A decision by Canada following a review under the *Investment Canada Act*, with respect to whether or not to permit an investment that is subject to review, shall not be subject to the dispute settlement provisions under Section B or Chapter 28 [of this agreement].

And that's effectively protecting our Canadian *Investment Canada Act* rules. And so that's, I think, a good thing that it's there, but we'll see where it goes.

Another annex under this — and clearly there are quite a few annexes — that we have is 9-I, and this is "Non-Conforming Measures Ratchet Mechanism." So in other words, this is a way to protect some of the things going on in Vietnam for a number

of years and not allow the provisions of this legislation to take effect immediately. Obviously they have some things that have been going on in Vietnam that they want to protect.

And so then we go to annex 9-J, and this says that there're certain claims from Chile, Peru, Mexico, and Vietnam that can't go into this whole process. And 9-K relates to some Malaysian claims that can't go into this process.

And then 9-L then deals with arbitration clauses and all the different possibilities there are, and describes where some of these . . . how these agreements will apply or not apply relating to these investment agreements. It also then includes a substantial discussion of Mexico's consent, or lack of consent . . . will not consent to the number of disputes that they have going through this procedure as well. And also there are further exemptions for Canada in this process.

So practically, that whole area of investment has included in it once again quite a number of issues that relate to Canada and some of our companies that may invest in companies around the world. But also it does specifically relate to some of the kinds of things that may happen in Canada. And there, powers are given to corporations to sue other countries. And it's prospective. It has to be agreements that take place after all of the ratification procedures. But we won't know at this stage what kinds of issues may arise for the Canadian government. We also know if the Saskatchewan government does something that encourages or generates litigation, then it's the federal government that pays for that — although I'm assuming they have ways of getting their money back.

So the next chapter, as I said before, it relates to cross-border trade in services. And this is a bit of an interesting one because it affects all of us in some fairly direct ways. And the reason I say that is when you look at what they're talking about as services, it appears the main services relate to travelling by air. And so it's the computer reservation system services and how they interact between countries. It's the ground-handling services at an airport and how those are organized and who manages those. It's the selling and marketing of air transport services, so in other words, airlines involved with services and then specialty air services. And effectively what this I think is trying to do is set up some ease of travel between these 12 countries and also, I suppose, ease of transport of goods by air. It looks like all of the descriptions here are involving air transport and doing it in a way that is enhancing of trade.

And so what are the issues they're looking at? Well the first one is obviously "the production, distribution, marketing, sale or delivery of a service." So it's first the service.

Then it goes into "the purchase or use of, or payment for, a service." So in other words, the banking or the financial systems that pay for the actual services.

And the third area is "the access to and the use of [these] distribution, transport or telecommunications networks and services in connection with the supply of a service." In other words, one country that has a dominant role in all of these services can't basically use that as a way to make sure their products are dominating in trade in a particular area.

And then the fourth area is "the presence in the Party's territory of a service supplier of another Party." So I suppose that would be having Delta Airlines in Regina. That's the kind of example that they're talking about.

And then finally, "the provision of a bond or other form of financial security as a condition for the supply of a service." So what they're trying to get at is that any one of these kinds of services in the 12 countries, there's an assumption that we would be accepting of them all working and using the services without provision of bond. And that is obviously a substantial benefit for all countries, but probably more importantly some of the smaller countries. But also it can become another way of restricting the transportation of goods into a company by saying, well yes, you can sell all the goods you want here, but we want, you know, a $5 million bond for any possible damages you may cause in our country with your product, and that's the only way you're going to sell things in our country. And this is obviously trying to get around some of that kind of issue.

But effectively this whole chapter, at least the first part, is dealing with protection of air services and recognizing the importance of having common rules and common ways of dealing with that in the long term. And so once again the word is transparency. These rules have to be there so that people or companies from other countries will know what the rule is in a particular country so they can sell their products or do their business or provide their service. And so that becomes then an issue of importance.

There is also a whole area which in some other areas is called equivalence, but here it's called recognition. And I think what this relates to is something that we quite often see in Saskatchewan. We actually had some discussion of this at breakfast this morning when dealing with Sask Polytechnic, and that's the recognition of the licensing or certification of service suppliers and also of people. And so if you remember, this morning they were talking about how they were able to acknowledge and accept some of the certifications that were coming, I think, from India and from Vietnam. And what that meant was then that people were able to come to Moose Jaw and then work and/or study there for a while, and then enter into some other levels of training without having great disruption in their training.

Part of what this part of this Trans-Pacific agreement relates to is recognition of some of the standards, some of the certifications, and some of the services that are provided by people. And once again, it's an important factor to include. And so the chapter itself is maybe a little shorter than some of the other ones we've seen.

Once again then we go to the annexes to chapter 10, and I think maybe there's just one annex — no, there's two annexes. The first annex to chapter 10 is chapter 10-A, and it's related to professional services. And effectively what it's trying to do is, I think, what we've been trying to do in Canada for many years which is have the recognition of professional qualifications, licensing, and registration valid across provincial and territorial jurisdictions. This is saying here that they want to do the same thing across national boundaries. And I think it's an admirable goal. It's going to take awhile to do it because, once again, it's a

restriction of a practice or a restriction of trade kind of issue. But here, given the way engineers work and architects, right off the top it's engineering and architectural services, and so temporary licensing and registration of engineers.

Then it goes into legal services. And in fact the legal services issue has actually moved quite quickly with the development of international law firms, and rules have been developed that are I think quite effective in allowing people to provide legal services across borders. So this is affirming that.

And then once again, because there are problems that arise in this whole area of professional services, there's a development of a working group where each country will get representative, and they will work through a lot of these activities and see what kinds of things they can do to make sure, at least try to ease some of the issues that arise between jurisdictions around professional qualifications. So that was 10-A.

[21:30]

And then 10-B is one called "Express Delivery Services," and so what happens is that this deals with express delivery issues. And it didn't used to be an issue in the world when everything was under, I think it was called the International Postal Union. I think that's the right term, IPU. As an old stamp collector, you'd see this once in a while.

But now with so many commercial operations and many countries have turned over their commercial or their post offices to private corporations in whole or in part, this clause is there to make sure that delivery of material or delivery of packages and other kinds of things will be facilitated without much difficulty.

So anyway I'm pleased to continue, and I guess we end up having many ghosts. I looked around. I didn't see one of my fellow tall members of the legislature who is no longer here officially, but we'll welcome him tomorrow I'm sure when he comes to the legislature; that's Mr. Tim McMillan from the Canadian Association of Petroleum Producers. And who knows? We might even be at chapter 15 by the time he gets here tomorrow.

But anyway we're moving into some, once again, some of these fascinating issues where we don't think . . . You know, I mean when you first glance, you look at it and you think, what does this have to do with Saskatchewan? But then you realize that it's directly related to our businesses and what happens in this province.

So chapter 11 is "Financial Services." And so basically the financial services, it's got a good definition: "any service of a financial nature." And so it's insurance, insurance-related services, banking, financial services, and then all of the different activities that are involved in finances. And actually there are pages and pages, and if anybody's . . . I could read all of them. I don't think we've got . . . Derivative products, I think they're using some of the same terms we've already been talking about. But I think the point is that it's a broad-based definition, and it's that way for a good reason.

And what everybody knows who's involved in trade is that if you can't get paid for what you sell, you won't do it. And so rules that will protect the banking systems or the financial systems are absolutely crucial for a trade agreement, which this is, and it's more than that as well. And so what we have then is clear rules that obviously have been developed with lawyers from the financial institutions and from financial institutions from all of the 12 countries.

One of the interesting things that I know in this area is that . . . I'm a graduate of the University of British Columbia law school. And when I attended at the UBC [University of British Columbia] law school, we knew, you know, there were . . . I think there might have been one course called Asian law because there's a fair bit of trade out of Vancouver. But if you go now and look at the curriculum or the curricula at University of British Columbia law school, they have professors in Japanese law, Chinese law, Korean law, Taiwanese law, Vietnamese law, Indonesian law and, you know, obviously Australian and New Zealand.

But much of the teaching at the school involves this interesting combination of learning an Asian language and then learning the laws, and then working back and forth to facilitate the kind of trade that this agreement is talking about. And I know when I was out there — well I guess it's 10 years ago now — for the 50th anniversary of the law school, there was a recognition that we needed to train Canadians to be well versed in the law of our Pacific partners because that was where much of the increased trade that would be part of Canada is going to come. And so practically I think there are probably big chunks of this agreement that come from some of the lawyers that have been trained through that system, who work with that system, and that's a good thing.

Now the issues that arise when it comes to financial services are similar to the issues that arise when you're dealing with agricultural products or other products, and it's how do you protect your local institutions. So in other words, national treatment versus how to be nice to your best friends; so your most-favoured-nation treatment, and then everybody else. And so a number of the clauses in this section of the TPP relate to those kinds of issues.

In Canada, we all know that we weathered some of the storms in our financial institutions in a little better fashion than what happens in the United States because of some of the rules that were put in place or kept in place by Mr. Paul Martin when he was the Finance minister, and Prime Minister Chrétien. They did that on the basis of a report of one of our prominent Regina citizens, Mr. Harold MacKay. And the MacKay commission, which he wrote after doing a lot of work, ended up providing some very clear guidelines about how our Canadian system should work as it related to the interplay between banks, insurance companies, and other agencies.

And as a result, when you look at this type of agreement and it talks about national treatment of financial services, we're reminded that, you know, the biggest parties to this partnership agreement is the United States. And clearly we need to ask questions about whether, if this agreement had been in place in 1997 or '98 or '99, some of those years, would we have been able to keep a different system of financial services and protect some of the conflict of interest or put in rules against conflict of interest that sort of disappeared for a while in the United States

in light of having this agreement here.

And I don't know that answer just from the agreement that we've been looking at now, but I think clearly there are some pretty substantial pushes from the US regulatory authorities as to how the banking should be done we need to understand. And I think, you know, as we get in here a little later, we'll see once the again the annexes where we'll have some protection for some of the things we're specifically doing in Canada.

But especially in this area of financial services, we need to be vigilant because there were a lot of headaches that we didn't have in Canada because of some of the rules that we had in place. And if this limits our ability to have some separate rules from some of our partners in this agreement, then we need to ask some hard questions.

This whole section also, you know, deals with the whole cross-border trade issue of financial services, and so we need to look at that. The first annex is actually headed "Cross-Border Trade," and in those areas, once again different countries will set out basically exemptions of rules that they have that they want to keep.

And so every country . . . It looks like Australia is protecting some of their insurance and insurance-related services, banking services. Brunei Darussalam is looking at both of the protection of those kind of services. Then here we get to Canada and some of the rules here will, you know, it sets out what the specific rules are in Canada. One thing that Canada says is that Canada requires that a cross-border financial services supplier maintain a local agent and records in Canada. And I'm not sure if that is a result of some of the things that happened in 2007-2008, but I think the protections that Canada asked for do relate to our experience over and against what happened in the United States.

Chile once again has got a number of things that they want to protect, and it looks like every country pretty well is adding some protection. The same with Japan although, you know, they've been in a situation for a number of years now where their banking institutions, which used to be the leading ones in the world, have been having to retool and reorganize. And then it goes the same with Malaysia and Mexico.

So I think probably every country has some concerns about protecting how they do their local financial services. New Zealand and Peru and then Singapore as well, I haven't seen them make too many comments. And then United States has also got some things that they want to protect, and then finally Vietnam. So basically the protections that countries want or exemptions that countries want are right across the board. Every one of the parties is involved, I think.

But then the next annex is 11-B, and this relates to portfolio management. It's basically saying that the ability of a business to operate across the borders of these 12 countries is in some way going to be facilitated, but once again there are countries that will set in specific concerns about how this is done. I know that each of these countries has their own specific things that they end up being concerned about. One thing we know about Brunei is that it's a country with not a large population, but it has an incredible amount of money in their oil fund. I think it's a toss-up between Norway and Brunei as to the highest per capita income and assets in the world. And as a result I know Brunei uses that ability to make sure that even though they're a smaller country they have top-notch financial services in their country. And so I think some of the protections here from that country relate to that as well.

So then as we . . . Well once again there's issues around the postal insurance business, and we don't really have that business in Canada but quite a few countries do have postal insurance rules. And there's also then the electronic payment card services. And this is what I was talking about earlier, is that the banks have agreements between themselves and in many ways, so I think what this TPP tries to do then is to layer overtop of what the banks have been doing, and make sure that the various definitions in various countries and the services that are available in different countries are not dramatically affected by this.

[21:45]

But once again, by including all of this in this agreement, the rules for disputes are I think triggered in a lot of ways. And we need to watch and see what that means for our financial institutions. And once again the whole issue comes up of transparency, making sure all of the countries have their rules very clearly laid out so everybody knows what they are. And that makes it such that they can have a discussion about them and maybe change some of them if that's necessary.

And the final, or the annex 11-D sets out who is responsible in each country.

[Interjections]

The Speaker: — Order. If the members at the back wish to carry on, they may leave the Assembly to do so. I recognize the member for Regina Lakeview.

Mr. Nilson: — Thank you, Mr. Speaker. The final annex to chapter 11 is 11-E, and it relates to some very specific issues that Brunei Darussalam, Chile, Mexico, and Peru have been dealing with.

So the next area that we're going to deal with is chapter 12, and this relates to the temporary entry for business persons. And it's not necessarily a long chapter but I know if you do travel around the world, in various countries there are different rules around how you can enter to do business. Most of the time they're quite welcoming or hospitable. And I think the goal here obviously is to make these 12 countries very hospitable to the business travellers from each other's countries, and I think maybe put in some measures that are like our global entry or Nexus program between Canada and the United States. Global entry obviously for Americans goes to many more countries.

But the net effect of that is to have the borders not be a disincentive to encouraging trade. In other words, take your information, take your business samples, take your services if that's what you do, and go and for various lengths of time provide those services in the other countries involved in the TPP.

And so this sets out the rules, and once again it sets up another committee on temporary entry for business persons. And I'm not sure if they're going to have the same membership on all these different committees so that they know what they're talking about because many of them are interrelated. But it's obviously, once this is all in place it might be good business to get in, which is to be a committee member in some of these areas because clearly it will depend on how, what kind of relationships are developed between the representatives of all of the different parties, all of the different countries as to make this thing run smoothly.

So now we're on to another area which is clearly a facilitator or enhancement for business and that's the world of telecommunications. And as we all know, this kind of chapter in a trade agreement is probably quite different than it was even five years ago, just because of the nature of the kind of information that can be shared worldwide. And so it does overlap or connect in with what we were talking about earlier about cryptography and encryption services, and it does relate back to some of Mr. Balsillie's comments from Research in Motion about how information technology in one country might be protected vis-à-vis another country. We'll see as we get into the intellectual property issues a little later in the agreement that those also impact back into this telecommunications world as well.

So basically once again we take a look, we'll maybe go back to some of the definitions after we see the scope of this chapter. And so basically the chapter's going to apply to "any measure relating to access to and use of public telecommunications services."

And then you go and look at what a public telecommunications service is. And it's:

> . . . any telecommunications service that a Party requires, explicitly or in effect, to be offered to the public generally. These services may include telephone and data transmission typically involving transmission of customer-supplied information between two or more defined points without any end-to-end change in the form or content of the customer's information.

So in other words, so it relates to public telecommunications and it's also any measure related to obligations regarding suppliers of public telecommunication services, and then the third area is any other measure relating to telecommunications services.

I think the reason that there's a discussion between telecommunication services and public telecommunication services is that there are I think more and more systems that are not public, that are separate. And in a way Mr. Balsillie's comments coming as out of the BlackBerry world was that that was one of their big advantages is that they had a whole separate, or they still have a whole separate system of communication that is very valuable, especially when the public system has difficulties or goes down. So this chapter I think goes right to protecting the public telecommunications, but also to making sure that access to telecommunications isn't used as a method of restricting trade or providing special treatment for your own local businesses. And so the goal here, in the 12 countries involved, is to make sure that everybody is on an equal footing when it comes to telecommunication.

And so then you look and you see what the topics are, and one of them clearly is international mobile roaming, right? And that becomes a very major issue when many of the products that you provide or services that you trade rely on constant monitoring by your electronic systems. And if there's a way that your trading abilities can be disrupted by disrupting your ability to be on roaming systems in another country, well then that becomes a trade-restricting factor that needs to be dealt with.

I think as far as I know, the 12 parties, the 12 countries involved in this agreement right now do have fairly compatible systems right across the board, you know, which is a good thing. And so practically this agreement is defining the standards and making sure that the regulatory roles are there.

And so one of the, you know . . . Some of the issues do relate to how do all of the international suppliers of mobile services work together. And I think this does set out some rules and tries to once again overlay what already exists in this world, but then sets some ways where complaints can be dealt with. And so when you actually look at, you know, what happens in this section, it's probably the whole set of rules right at the end around resolution of telecommunications disputes that becomes the crucial part in this telecommunications world.

And I think that this builds on work that's already been part of the international system. It's often interesting to contemplate, thinking about the Pacific Ocean and the ability to communicate across the Pacific Ocean. It's 2015 right now. The first I think trans-Pacific cables went across from somewhere along the BC [British Columbia] coast, I think between Bella Bella and Bella Coola over to Japan, and they were the ones being laid . . . They'd already laid them across the Atlantic, so there was a connection on the Atlantic side. But then they were doing that on the Pacific, and they were telegraph lines, so they were trying to get telegraph information across. Canada was obviously quite involved in that because we had a huge distance to cover.

Those kinds of ways of communicating were then replaced by satellites, and once again Canada and I think Saskatoon actually had a lot of work done around the technology for satellites to do the communication.

Now there's a combination of the satellite connection and then the fibre optics, the light travelling through glass, and so once again, it's that combination of providing the telecommunications.

And this particular agreement confirms that to have those very open communications and communications at a capacity that everybody can do trade requires some very specific agreements and trusting of each other when you set that up. And I know that we often forget about the history. I sometimes also think about probably 100 years or less before that first telegraph cable across the Pacific, the main supply line to Hong Kong from London was across Saskatchewan because they brought the goods to I think Montreal, and put them into the voyageurs. They took them across the river system, through The Pas and then up into the Churchill system and then across to the Methye

Portage, and then into British Columbia and then down to the mouth of the Columbia River. And then they put it on boats and took it to the Sandwich Islands, which were British islands, which is Hawaii, and then from Hawaii over to Hong Kong. And then they'd reverse the flow and have things go the other direction. That was, you know, probably around 1800. Well then by another 75, well 85 years later, 86 years later we had the railway doing the same route and then they had the Canadian Pacific ships that would take you right across.

And so now we're talking about a Trans-Pacific Partnership agreement that is dealing with the same kinds of issues, and this is instantaneous kind of communication that builds on those relationships that were there from many, many years ago. And once again even though Saskatchewan sometimes seems like it's off on the edge, well much of this comes through our territory and we are involved in the intellectual side of developing much of this as we proceed. And so the telecommunications protections I think build on that history.

[22:00]

And then we go into chapter 14, and it's about electronic commerce. And once again, if you're a trader, you're not going to sell your product unless you get paid. And this whole chapter deals with how you can be assured that you get paid when you live in a digital world. And I think once again this is building on top of agreements that are already in place between banking institutions but it also then deals with the other kinds of ways that governments try to get revenues.

I see one of the clauses here is a clause that says there'll be no custom duties on electronic transmissions. And this, you know, is an interesting one because there are so many electronic transmissions. There have been suggestions that one way to finance governments or others is to put a very, very . . . one-thousandth of a cent or something on each transmission. And oh, it's not going to cost the business very much to do that but, you know, it doesn't take long to accumulate money for a business. But this says no, we're not going to do that kind of thing. And basically it's a very clear paragraph to say that you don't want to restrict the use of electronic transmissions.

Now it says the parties can do it internally if they want to do it, but not, you know . . . So you can charge taxes on your SaskTel bill, I guess, if you wanted to, and I think we do. But you can't do it in an international basis. Once again, around the issue of restriction of trade.

Clearly from the lawyers looking at this, one of the issues always with electronic transfers is protection of the consumers, protection of the people who pay the money. One, you want to make sure they get whatever they're paying for or that they're not being charged double or triple for what happens. And so once again they've got the rules around how people are going to be protected.

This one Michael Geist was talking earlier. It's in some of these areas too where he's raising concerns that the rules that are laid out here are the American rules. And we've had some slightly different ones in Canada that maybe are a bit more protective of consumers and protective of privacy. But I think that's the kind of area where we need to listen carefully as this agreement is being discussed over the coming months because that's important.

It's actually worth taking a look at some of the paragraphs in this chapter 14. We were just talking about consumer protection, but the next paragraph is personal information protection. And it's, you know, there's lots of good wishes, kind of, well we're going to try to make sure we protect the information. But it's not as tight maybe as some of the things we already have in Canada, and so how we do this is going to be interesting.

There's also some principles about who has access to the Internet and how, whether you can be restricted. That relates to some of the companies that now will put restrictions on the amount of access you have to data, or you have to pay more for certain things. And so how some of those things are laid out I think is . . . It doesn't say there's a solution here, but it says that that's an issue.

Also the cross-border transfer of information. This is one that we've raised in this legislature before around where is the health information located, I think. Where is the hunting licence information located? And what this appears to say is well, you know, maybe that's not such a big deal. The American rules sort of say, well you can bring it to the States; it's okay. And so I think these rules here will end up meaning that much more of our information from Canada will be stored other places. Now whether there'll be information from other countries stored in Canada as a safe haven for stuff, I'm not sure.

Another chapter relates to the international Internet charge connection. And it's kind of like how much . . . who gets what part of the fees that are used in something like that. And you know, once again it says you're going to need some rules about that. But how you do it exactly is not entirely there, but it's based on the American system.

Article 14.13 is location of computing facilities. And once again, we have some rules about facilities should be in Canada or in Saskatchewan. And this is opening it up a bit.

Another section 14.14, deals with spam, what they call unsolicited commercial electronic messages. And so it tries to set out some rules.

I know that many years ago, as the minister of Justice, we met with the Western Canadian and the US attorneys general, who were all ministers of consumers affairs, to deal with spam because it was kind of a new issue in a way then. And the debates went back and forth about whether you should try to restrict the providers of the service or go after the people that actually put the spam on there, and that's always the debate.

I think here they basically are very careful not to go after the I guess telecommunications companies, if I can put it that way, but go after the commercial companies that are using these messages if they can get at them. And that's the traditional way that it's been resolved in Canada and the United States, and it means that there's been an extensive lobby from, you know, the telecommunications companies. They're saying, how can we monitor every bit of information that goes through our system?

And then the last parts of this chapter relate to co-operation and, you know, I think it's good, but once again it's aspirational. It's saying, you know, Article 14.15 is kind of interesting. It says:

> Recognising the global nature of electronic commerce, the Parties shall endeavour to:
>
> work together to assist small and medium enterprise to overcome obstacles to its use;
>
> exchange information and share experiences [etc.].

But it's that "endeavour to." You know, it's not a real strong statement, if I can put it that way. But on the other hand it is saying that here's a goal that in this whole world, this Trans-Pacific Partnership is going to be part of it.

It also then goes on to talk about cybersecurity matters and the fact that everybody has to work together. And source code, and this is a bit of an interesting one, and this is what Michael Geist was talking about earlier as well. This is Article 14.17:

> No Party [in other words, no country] shall require the transfer of, or access to, source code of software owned by a person of another [country] . . . as a condition for the import, distribution, sale or use of such software, or of products containing such software, in its territory.

And this is the point that, you know, you can't prevent some kind of software coming into your country that might have damaging material on it or that you want to basically deal with some malware or something else. And the country doesn't have the ability to restrict that stuff coming into the country but, you know, it once again says, well hey, we're going to endeavour to deal with some of this.

And then finally with, around dispute settlement, there's a couple of countries like Malaysia and Vietnam who don't want the dispute resolution clauses that are here, at least for the short term, so that makes sense.

So we have then sort of the telecommunications, the electronic commerce. We're going through a number of the areas where restrictions on trade can take place if the use of the services are not monitored properly. And so I think it's important that we understand what's here, and that what we look at and do is related to that.

And so the next chapter brings us right back to question period today and yesterday, and probably every day. And it's called "Government Procurement." And the first definition, which — as you know I like to look at these definitions — is called, "build-operate-transfer contract and public works concession contract." So what's the definition of that? Well this means:

> a contractual arrangement the primary purpose of which is to provide for the construction or rehabilitation of physical infrastructure, plants, buildings, facilities or other government-owned works and under which, as consideration for a supplier's execution of a contractual arrangement, a procuring entity grants to the supplier, for a specified period of time, temporary ownership or a right to control and operate, and demand payment for the use of those works for the duration of the contract.

Now this is a little different than our highway bypass, because there aren't enough people to pay tolls to actually pay for it, so the government's just putting some money in. We don't know exactly how much it is, but it's the same kind of contract that's there.

And so this whole section, which is the government procurement section, says that it applies to any measure regarding covered procurement. And the term "covered procurement" obviously is procurement that's under this particular chapter. And so basically . . . So activities that aren't covered in here are acquisition or rental of land, non-contractual agreements, or procurement or acquisition of fiscal agency or deposit services.

Public employment contracts aren't included in government procurement here, and procurement that's conducted for the specific purpose of providing international assistance, like development aid.

But otherwise, it's quite broad and it covers a whole number of issues that are part of the kinds of issues we've been discussing in our question period. And so the general treatment, the general principles that are involved, I think are general principles probably that apply to all procurement. And I think sort of the ways that it's done and how it's done are important, but basically it says that general principles:

> With respect to any measure regarding covered procurement, each Party, including its procuring entities, shall accord immediately and unconditionally to the goods and services of any other Party and to the suppliers of any other Party, treatment no less favourable than the treatment that the Party, including its procurement entities, accords to:
>
> (a) domestic goods, services and suppliers; and
> (b) goods, services and suppliers of any other Party.

So in other words, you have to be fair. You have to treat everybody in the same way. "For greater certainty, this obligation refers only to the treatment accorded by a Party to any good, service or supplier of any other Party under this Agreement." And then, I mean, it goes on and talks about procurement methods. And one of the issues once again is things we've been talking about all through the agreement is the rules of origin; in other words, where do these goods that are being used in the contract come from and how does that fit, and basically dealing with some of that.

[22:15]

There are a number of transitional measures, and so this is, I think, a bit interesting for us because it talks about what's called a developing country party. And I think there are some advantages or disadvantages, no matter how you put it, that relate to certain of the countries that are parties to this agreement; they have a status that gives them a slightly different preference rate. They don't have to open up their government procurement quite maybe as wide as some of the other countries. And I'm fairly certain that Canada's not

included as a developing country.

So we end up having these rules that protect some of the smaller countries. And I mean, I'm not sure I have anything to say positive or negative about that, but it does raise the question of what kind of negotiations that were here that resulted in some countries getting a different status in the ultimate rules around government procurement.

When you go through the rules that are here, once again it's this issue of transparency, making sure that everybody knows that the rules are fair; if there are open discrimination or changes, that at least they're out there. I mean they're out so everybody can see what they are and deal with them that way. Also the issue of making sure everybody follows the rules, it has all of these rules there and then the appeals.

But I think practically this is an area where they have identified an issue as being part of this agreement. I think there's a lot of work to be done around how the government procurement will work in this world. We know we have a tough enough time in Canada between the provinces and territories, and to have a similar kind of discussion between 12 countries and all the jurisdictions is going to be quite interesting. And so I think practically we need to understand that some of these chapters and some of these issues they're dealing with here are, as I said earlier, aspirational. They're good wishes. There's an attempt to put in writing some of the concerns that are there.

So the next chapter is chapter 16 on competition policy. And basically this is put in place to make sure that each country has adopted, or will maintain, national competition laws that proscribe, in other words, prohibit anti-competitive business conduct. And this kind of rules, it's interesting to put it in the Trans-Pacific Partnership. I'm sure different countries have different standards in a way in how to try to pull all this together in a format that is one that will move towards having common standards around procedural fairness. It's important and practically this will involve a huge amount of discussion, co-operation, consultation, and transparency. In other words, a lot can be accomplished if the unwritten rules are written down, the extra ways that things happen are explained to all of the partners in the operation.

I suspect over the years this will be the area where every party to this Trans-Pacific Partnership will learn about what kinds of things they can still do that have been sort of traditionally done in their community versus those things which others perceive as unfair. And how we deal with that, I think, will be a good part of how this agreement ends up being implemented.

But once again, there doesn't appear to be any kind of wild cards in some of this because it really is building on our Canada and US experience. So what we need to watch is that somehow it doesn't develop into another way of restricting trade or causing difficulties in trade.

Now the next chapter is one that I think is specifically important for Saskatchewan. And I think I'll start on this, but I suspect I might have to continue tomorrow about it because this is the whole area of state-owned enterprises and designated monopolies is how they put it. It's a little different language than what we use, but it's very much related to many of the kinds of things we do in Canada, whether it's the Alberta treasury branches, or it's ISC [Information Services Corporation of Saskatchewan] in Saskatchewan, or SaskPower, or Ontario Hydro, or all of these different kinds of state-owned enterprises.

But the interesting thing to look at in this is that, I think a state-owned enterprise — I have to get to the definition. — is defined this way. It says:

> **state-owned enterprise** means an enterprise:
>
> that is principally engaged in commercial activities; and
>
> in which a Party [a country]:
>
> (i) directly owns more than 50 percent of the share capital;
> (ii) controls, through ownership interests, the exercise of more than 50 percent of the voting rights; or
> (iii) holds the power to appoint a majority of members of the board of directors or any other equivalent management body.

And so this definition captures I think pretty well all of the Crowns that we have in Saskatchewan; probably Alberta, BC, Manitoba, Ontario.

The interesting one is the third one, which is "holds the power to appoint a majority of members of the board of directors or any other equivalent management body." There are quite a number of state-owned enterprises that maybe are owned 40 per cent of shared capital, that trade on the New York Stock Exchange or London Stock Exchange or other places. But they probably will be caught under this clause because the government, even though they own less than 50 per cent, still control who's on the board.

But this whole section of this Trans-Pacific Partnership arrangement, the TPP arrangement I think is instructive for us here in Saskatchewan, to say that there are various versions of what we see as our Crown corporations in Saskatchewan that are operating very well through all of the parties, the 12 nations that are involved in this Trans-Pacific Partnership agreement; that they are providing services in, you know, positive ways; and they are protected and encouraged as part of the mixed economy that's part of all of the 12 nations that are included.

That includes the United States because we know that virtually every state has some kind of a state-owned enterprise, whether it's Nebraska's power system or, you know, North Dakota. I think they sold their pasta plant probably, but they do still have their bank, I think, just like Alberta. And so there's a recognition that the co-operative effort involving taxpayers and citizens of a state or a province can own commercial activities and that there are some very clear models of how to do that. And we have some of the best here in Saskatchewan.

And so then the rules in here though, you know, we need to end up looking at them quite carefully because the kinds of things that other nations or other parties want to put in to deal with some of these state-owned enterprises relate to any kind of an advantage — perceived or, you know, whether it's there or not, there wants to be an attack. And we just have to remind

ourselves of what happened to the Wheat Board. The Wheat Board isn't there anymore, but the kinds of perceptions about how that operated versus the reality was a very difficult political issue on a whole number of levels.

And we can see certain things that happen to Crown or state-owned corporations in Canada. We know Alberta was able . . . They sold off a number of their state-owned utilities because they were able to get some very favourable federal tax treatment in those sales. A lot of times people don't know that history, but what it meant was that they were able to sell the businesses and the favourable tax ruling so that the shareholders that bought the businesses got sort of a double advantage. When there were other discussions from other provinces about that, it was always, oh well, that happened then and it's not going to happen again.

And sometimes some of these kinds of rules and some of these examinations of advantages and disadvantages identify where some of the challenges are in operating state-owned enterprises. Just to look, you see chapter 17.6 is Non-commercial Assistance, and so you end up saying, well what is non-commercial assistance to a state-owned company? Well it can be an unwritten monopoly. It can be some of the things that relate to how and who are the customers. Customers may be required to use certain aspects of that, and we have corporations in Saskatchewan that do that. And so all of those kinds of concerns end up being factors in how we look at what effect this agreement will have on the state-owned enterprises that are here in our province.

Now one of the factors involved is whether it only applies to national state-owned enterprises. I think that if we look at it carefully, it'll apply back to all entities within state-owned enterprises that are owned by citizens. So we can't say that this does not apply to what we are seeing here.

So, Mr. Speaker, this motion around the signature of this agreement I think is premature. We're not at a point where it can be authorized. We've, as one of the commentators said, we're still at the dating stage. We haven't actually signed, sort of confirming that they're going steady. That may happen in February or March or April. And then after that we'll end up with the consultation and discussion, and then maybe ultimately the marriage.

But I think by going through much of the information that we have here, we have been able to identify issues that apply to Saskatchewan, identify other issues which are obviously good for our traders, our people who sell goods right across this globe. It's a very interesting discussion.

The Speaker: — It now being after the hour of 10:30, this House stands adjourned to 1:30 p.m. tomorrow.

[The Assembly adjourned at 22:30.]

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Minister Responsible for the Lean Initiative

Hon. Scott Moe
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Minister Responsible for the Saskatchewan Workers' Compensation Board

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