



STANDING COMMITTEE ON THE ECONOMY

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**STANDING COMMITTEE ON THE ECONOMY
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Regina Wascana Plains

Mr. Randy Weekes, Deputy Chair
Biggar

Hon. Deb Higgins
Moose Jaw Wakamow

Mr. Delbert Kirsch
Batoche

Mr. Eldon Lautermilch
Prince Albert Northcote

Mr. Lyle Stewart
Thunder Creek

Hon. Kevin Yates
Regina Dewdney

[The committee met at 09:01.]

Enquiry into the State of Internal Trade in Saskatchewan

The Chair: — Good morning, everyone. We have a full day in front of us, and our presenter is here and ready to go. So I welcome you all. I hope your day yesterday was productive. I know that you made an executive decision on the scheduling — which is great — and we'll go forward with those decisions made.

Viktor has handed out the itinerary, tentatively for Saskatoon, and the decision that you made yesterday would be that we will have some presenters before us on Monday because we were getting to have lengthy schedules or longer days. And there still may be a few changes; there's a few marked tentative. You know our hearings will be at the Radisson Hotel in the Michelangelo room, and so we'll . . . any questions about arrangements, if you speak with Viktor and he can try to accommodate you.

Presenter: Communications, Energy and Paperworkers Union National Division

The Chair: — Good morning to Gordon Hunter who's the national representative with Communications, Energy and Paperworkers Union, national division. We're pleased that you're before our committee today to give your views on internal trade and Saskatchewan's position in the internal trade discussion. What we've been doing is allowing about 15 to 20 minutes for your overview and presentation, and then opening up for questions from the committee members and to allow you to either give a fuller explanation where we're not really understanding something, or to add further information to your presentation. We will thank you and let you begin now.

Mr. Hunter: — Thank you very much. And I want to make it very clear that I'm here on behalf of the national union as opposed to any particular local. I'd first like to say that I really appreciate the opportunity to appear before the committee and express our concerns about the Trade, Investment and Labour Mobility Agreement recently signed by Alberta and British Columbia and our views about suggestions that the agreement be expanded to include Saskatchewan as a signatory.

First let me say that I'm not against labour mobility. I've lived and worked in Nova Scotia, Quebec, Ontario, Saskatchewan, Alberta and British Columbia. And in the course of doing my job, I've worked in every province and territory in this country. My union isn't against labour mobility either. Many of our members who lost their jobs when Weyerhaeuser closed their profitable mill in Prince Albert are working in Fort McMurray. Our members at SaskTel from time to time work in other provinces.

And currently we have what I think is a groundbreaking agreement with the Quebec Federation of Labour, the FTQ [Fédération des travailleurs et travailleuses du Québec], which facilitates the ease with which Quebec construction workers can work under CEP [Communications, Energy and Paperworkers Union] collective agreements during the oil sands expansion

taking place around Fort McMurray.

I'm all for more liberalized interprovincial trade. I'd love to see more BC shrimp and prawns in our stores here in Saskatchewan instead of frozen farmed shrimp from Asia and perhaps be able to wash them down with a little English Bay Pale Ale or, better still, be able to get a pint of Stubblejumper Pil in a Calgary pub. These examples aside, the fact is that interprovincial trade is already pretty liberal in this country. Any Saskatchewan entrepreneur with initiative can ship products to Alberta or British Columbia, or Nova Scotia for that matter, pretty much unrestricted.

Perhaps there's a need to harmonize the qualifications required for some professions to be allowed to work interjurisdictionally. If that's the case, let's deal with that issue. Let's work toward common standards. Let's make it easier for people from one province to work in another by making it easier for people to upgrade skills if that's what's required. And let's not dumb things down to the lowest common denominator. Let's make sure Canadian workers are among the best qualified in the world.

Labour mobility and liberalized trade isn't really what TILMA [Trade, Investment and Labour Mobility Agreement] is about — is it? I'm sure many others have told you TILMA's about something else altogether. And some people have described TILMA as a Bill of rights for corporations, a noxious weed for the farm economy, a sellout to business interests.

As you may have gathered, we oppose the expansion of TILMA into Saskatchewan and we do so for a number of reasons. First TILMA rules are painted with a very broad brush, and the agreement imposes blanket prohibitions on all government measures that operate to restrict or impair trade, investment, or labour mobility unless such measures are exempt under the scheme. It's difficult to conceive of a government action, whether legislative or regulatory, or a government program that would not violate the broad constraints. It applies to any legislation, regulations, standard, directive, requirement, guideline, program, policy, administrative practice, or any other procedure in place by a signatory. In this regard, the net cast by TILMA is broader than that of NAFTA [North American Free Trade Agreement] and the GATS [General Agreement on Trade in Services] combined.

Secondly, TILMA defines government very broadly. Under the agreement it would include all aspects of our provincial government including its agencies and Crown corporations. It includes municipalities, school boards, and other publicly funded academic, health, and social service entities, library boards, daycare centres, and all regulatory tribunals. That means that under TILMA any action taken by these institutions, agencies, and public bodies must also comply with the sweeping restrictions of the regime. The agreement therefore would apply to their bylaws, resolutions, orders, policies, and administrative policies subject to a small number of exceptions.

Further to ensure that government and public institutions comply, TILMA incorporates which may be the most exceedingly harmful feature of NAFTA which accords private parties the right to invoke arbitration to challenge measures

which are alleged to offend TILMA constraints, including the right to claim up to \$5 million in damages arising from such government measure. Because private claims can be unilaterally asserted by countless individuals and corporations, they are likely to proliferate and exert enormous pressure on governments to weaken or abandon a broad and diverse array of public policies, laws, practices, and programs.

An overwhelming majority of government measures that are subject to TILMA have little or nothing to do with interprovincial trade, investment, or labour mobility. Rather these measures which run the gamut from environmental controls to health care insurance plans were established to serve broad public interest or societal purpose and apply equally to persons or companies whatever their restrictive province of origin. While such measures may impact investment, trade, and labour mobility, these effects are indirect or tangential to their essential purpose. Nevertheless because these indirect effects, they may be challenged for offending TILMA prohibitions.

In 1958 provinces and territories, with the help of the federal government, introduced the Interprovincial Standards Red Seal program which provides for the development and approval of interprovincial examinations based on national occupational analysis produced by the Government of Canada. The purpose of the program is to assist skilled workers at the journeyman level to work and move freely from one part of Canada to another. It also encourages the standardization of provincial territorial training and certification programs.

We believe that the integrity of the Red Seal program is potentially at peril under TILMA. In recent years British Columbia has abandoned many of its apprenticeship training programs and related regulations. BC [British Columbia] has decided to certify subtrades without requiring workers to meet the full requirements of the program, and BC workers would be able to assert their mobility rights without having to qualify under the Red Seal program. Saskatchewan workers would therefore face an uncompetitive advantage. The very nature of the provision will undoubtedly undermine the Red Seal program.

TILMA also expands the scope of foreign investors' rights which can be asserted under NAFTA, and moreover these rights are bestowed on US [United States] and Mexican investors without any reciprocal gains for BC or Alberta investors in the US or Mexico. TILMA establishes a new high-water mark of investor entitlement that can also be claimed by American and Mexican investors in consequence of NAFTA guarantees for national treatment.

Living in Regina, it's not difficult to see what relatively unrestricted development can do to communities. New business development has been heavily concentrated in the southeast and, to a lesser degree, in the northwest. That sort of development pattern sucks the life's blood out of inner city communities. North central Regina, for example, does not even have a grocery store, and many lower income citizens must take public transportation often to the outskirts of the city to shop for food. Under TILMA, if the Regina City Council decided to pay attention to this problem and to provide incentive to business to help them to locate in that area of town, they could face a challenge under this agreement.

We're concerned about labour standards, environmental regulations, and occupational health and safety. Our experience is when corporations talk about harmonization, it seldom means bringing standards up. It normally means a race to the bottom.

There's no plausible rationale for TILMA. Canada is a free society in which people are free to live, work, and invest anywhere they choose. There are no custom stations along provincial borders and no tariffs of any kind on interprovincial trade. The claim that we must remove the few and largely unwarranted barriers to interprovincial trade, investment, and labour mobility that do exist is no more than a smokescreen for a corporate agenda that seeks to substantially reduce the role of government as regulator and service provider.

It's no wonder that the Fraser Institute, the Conference Board, the chambers of commerce, the political right and their corporate friends are solid supporters of TILMA, if deregulation is what TILMA is all about.

Before we jump into another untested, backroom trade deal, think about whose interests, those who believe that a completely unfettered free enterprise system was the way to go, in whose interest they're working. That's the real question. In whose interests? Let's give some thought to where they have brought us so far, and let's ask ourselves if they can trust the advice by looking back.

Let's look at a few examples that we've had to deal with in the last while. The mill in Prince Albert produced fine paper products, and that generally means photocopy paper. Weyerhaeuser shut the mill and turned a profit up till the last day of its operation. They shut down their operation. Seven hundred and so of our members at Local 1120 lost their jobs.

I urge you to go to Staples or Office Depot or Grand & Toy and try to find photocopy paper made in Canada. What was once being produced in Prince Albert we import for the most part from the United States. Employers we deal with in the printing industry tell me if they're looking . . . they're having trouble finding Canadian-made quality paper used in their industry. Instead all they can find is an inferior product imported from offshore.

I was recently contacted by a local union officer who told me his plant on Vancouver's lower mainland may be shut down because the supplier of a particular type of paper they are producing in his plant has begun to import the same product cheaper from China. What bright spark ever thought it made sense for Canada to import paper from China?

When the SaskTel computer division was sold off by the Devine government and ISM [Information Systems Management Corporation] was created, there was a promise of a thousand new jobs, and at this point we have about 270 members at Local 911 working at ISM. Because of procurement rules here in Saskatchewan, those jobs are fairly stable and reasonably safe. But with TILMA it would be open season because we all know it's not about the quality of the work. It's all about who's cheapest.

Let me give you another example. At some point the rules were that if a company wanted to export natural gas from Alberta the

by-products had to be stripped off that natural gas before it was shipped south. It was the result of those rules that created a fairly petrochemical industry in Alberta, for the most part outside of Edmonton. When they built the Alliance pipeline, investors complained to government about the cost and rules were changed and that requirement was lifted. Now Canadian natural gas is sent unstripped south to the United States, where a huge petrochemical industry has been created outside of Chicago. Canadian gas creates American jobs around Chicago, while in Edmonton Canadian workers are losing their jobs.

This week right now, the National Energy Board is listening to applications in Calgary asking to convert gas pipelines so they can handle crude oil. The producers want to pump diluent, which is basically a thinner produced in the American refineries, to Alberta where it will be used to dilute bitumen which has been extracted from the Alberta oil sands. When the huge, new Alberta oil sands expansion projects are up and running, over 1 million barrels per day of diluted but unprocessed bitumen will be pumped south to the United States where it will be refined.

This new source of oil will create thousands of jobs in the United States as the refineries are expanded to deal with this new source of product. As well several billions of dollars in building and upgrading facilities to handle the Canadian bitumen will be sent to the US instead of utilizing our own country. Meanwhile these multinational oil companies have mothballed refineries in eastern Canada. These refineries could easily be upgraded and brought online if Canada insisted. Why should we be taking advice from these people? Am I the only person here that thinks that's crazy?

Let's talk a couple of minutes, I'd like to talk a couple minutes about our Crown corporations. It's no secret that the same supporters of TILMA would love to see them privatized. Why should they support TILMA? TILMA's their foot in the door. For all the criticism that Crown corporations get, the reality is that they're the jewels in the crown for this province. Think about it.

In Alberta free market ideologues have given that province's citizens the highest power rates in Canada. Basically the same thing happened in Ontario — private power but pricey. I have a friend who lives in Richmond, BC, and I'm sure you know where that is. The Vancouver airport's in Richmond. His phone company, Telus, can't provide him with high-speed Internet service because the infrastructure is substandard. Meanwhile SaskTel is working to bring high-speed Internet into every small town in Saskatchewan. You can bet that Telus is looking hard at TILMA. A privatized Manitoba telephone system is a shadow of its former self, providing a service several tiers below what it offered as a Crown corporation.

I'm not an economist and I'm not an expert on trade but I know what I see in communities out there. You may make the decisions but it's our members and their families who pay the price when you screw up. We pay the price for what our Prime Minister calls the market adjustment.

I'd be the last person in the world to suggest that these decisions are easy and I know we don't live in a vacuum. More liberalized interprovincial trade is most likely inevitable and

generally positive. We don't object to increased labour mobility but in reality there are very few barriers to interprovincial trade as it is. But we all know that's not really what TILMA's about anyway. On behalf of the communication, energy, and paper . . . [inaudible] . . . of Canada, I urge this government not to put private property ahead of public interest and to reject the idea of signing on. Thank you.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Thank you, Madam Chair, and good morning. In your winding up, you indicated that you are in favour of more liberalized interprovincial trade, that it's likely inevitable and generally positive, and that you don't object to increasing labour mobility. Now there's been some reports produced indicating the effect of the BC-Alberta agreement on the BC economy, and also a report by the Conference Board of Canada on the effect of Saskatchewan's joining the agreement.

Saskatchewan, I believe the numbers that were in the report were a \$292 million increase to the GDP [gross domestic product] of this province and an increase of some 4,400 jobs. I wonder if you could comment on just that facet of, if this agreement can produce those kinds of results. Then I think that it would be a fairly positive thing, including for people representing unions. A lot of those jobs will no doubt be unionized jobs. And if you could just comment on that.

Mr. Hunter: — I think that . . . I don't pretend to be an economist, to start with, and so I really don't think that I'm in a position for the most part to challenge figures provided by some economists as they've put together some of the background material for this, and some of the other people who have looked at this. I have read those reports and I guess my greatest concern is that I don't see significant barriers to interprovincial trade as it is. There may be some and those will probably bit by bit be sort of liberalized. I guess it's not the concern so much about some sort of increase of interprovincial trade that concerns me, it's the kind of deregulation that goes with it.

I think that TILMA does much more than simply ease our ability to move things back and forth across provincial borders. It's more than that. It's not really, I don't think, what it's all about from what I can gather. And I guess the other thing about that is I'm always cautious about looking at people's speculation that we're going to provide so many more hundreds of millions of dollars into the economy. That's really what we were told about a whole lot of other of those decisions, which is why I tried to use some of those examples of the kinds of things that we're dealing with in communities these days.

We were told about the fact that most of this . . . We were told free trade was going to be good for us and we've lost somewhere between a quarter of a million and a half a million manufacturing jobs in this country, and for the most part we've turned those jobs . . . you know, the government can talk about job creations federally, but for the most part we've turned good-paying manufacturing, for the most part unionized jobs with benefits, into jobs in the service industry. And you know, when we look back at all the positive things that free trade was going to bring us, from the promises made by those economists, I'm just saying I think that we have to be very cautious about how we approach these things. We have to be skeptical at those

wild claims of the positive benefits as we approach them.

Mr. Chisholm: — So are you suggesting that we would have been in a better situation in this province and in this country if free trade would have not happened?

Mr. Hunter: — I think the free trade agreement as it's, as we know it today, I think that's true. I think we would be in better shape without it.

The Chair: — Mr. Iwanchuk.

Mr. Iwanchuk: — Thank you very much for appearing today. You've raised an issue on page 6 here. I have your presentation. Just here where it talks about TILMA also expands the scope of foreign investor rights that can be asserted under NAFTA. And I was wondering if you could maybe expand on that and just kind of . . .

Mr. Hunter: — My understanding, and I'm not, as I said, I'm not a trade expert by any stretch of the imagination. It's our advice by counsel that we hired to look into this that this is a significant issue. To be honest with you, although I took the material provided to me with respect to this particular issue from, I took the advice of counsel, and I don't pretend to be an expert and I find it difficult to kind of talk about that detail of this report.

Mr. Iwanchuk: — Thank you very much. And I think part of the hearings, procedures is that these things are flagged and I was wondering if we could be maybe provided with some extra material on that.

Mr. Hunter: — Absolutely.

Mr. Iwanchuk: — Because we've had a number of other presenters who are adding to theirs and some are in fact presenting and then writing up their briefs. So I think we're open to that sort of thing, so if you could provide some extra on this, it'd be much appreciated.

Mr. Hunter: — I appreciate that opportunity. I will do that.

Mr. Iwanchuk: — Thank you very much.

The Chair: — Mr. Chisholm, is this a follow-up to the line of questions that we're at? A different question. All right. Then we'll have you back on the speaking order. Mr. Weekes.

Mr. Weekes: — Thank you, Madam Chair. Good morning, Mr. Hunter. Thank you for your presentation. We've had a number of unions and union locals make presentation and the theme has been the same one. And with all due respect, there's the same anecdotal, I guess, evidence if you call that. I mean we've always asked for, let's see any studies or research that you can provide. And I'll ask you that too. Because at the end of the day, you know, we have to make this decision based on fact, not fearmongering and, well you know I heard this story, I heard that story. And unfortunately most of the week has been just that. And when we look back at the whole debate about free trade and the NAFTA agreement, it's the same sort of thing. You know, the same groups are on one side — for — and the same groups are against. And it looks like it's lining up that

way again here with the TILMA hearings and discussions.

I would just like to . . . First if you do have any research or analysis done, we certainly would appreciate you providing that to the committee. But I'd just like to point out the exceptions, part V in the agreement, that we have. No. 1.f), "Social policy, including labour standards and codes, minimum wages, employment insurance, social assistance benefits and worker's compensation" are exempt. You know, that covers just the bulk of your union's concerns. And certainly I don't see why there's concerns about — with unions — about those areas. I mean it's stated very specifically that they're exempt from the agreement. And same thing with environment and health and all those areas. There's no concerns there.

My question I guess, is even though . . . I mean you're speaking strictly from a union or a labour point of view. But I mean you obviously recognize that without trade, without investment, there aren't going to be any jobs, union or otherwise. And I'm just wanting to know your position on that. I mean if this agreement reduces regulation, red tape, and does increase investment in Saskatchewan and trade and, you know, increases economic activity, that means there's going to be more jobs for union members, as far as I can see. And possibly non-union members, but I mean there's a whole process around that and no one's disputing how that process works and, you know, I mean the right to collective bargaining and the right to form a union.

So I guess my question to you is, I mean, obviously I assume you're in favour of a growing economy. Why would you be against this agreement based on what the objectives are and the studies that are out there to state that there will be an increase in economic activity?

Mr. Hunter: — I'm not so sure that there would be an increase in economic activity as a result of TILMA.

I thought I made it reasonably clear that I'm not against interprovincial trade. I'm not suggesting we build a wall around this province by any stretch of the imagination. And I'm not here to fearmonger. I tried very hard not to use . . . And I've heard a fair amount of hyperbole around concerns about TILMA and I tried very hard not to go down that road.

I think that, you know, we're not against interprovincial trade, as I said. And I don't think that this really is about, that TILMA really is about interprovincial trade for the most part. And my real concern, I think, is that . . . Just as an example, the sort of ISM example, if I can choose that one, is that the feeling was that originally that there would be this huge corporation with 1,000 sort of jobs there. It hasn't worked out that way and, you know, that's just the way things go. We accept the fact that we've got 270 members there. I also know, at the same time, that just because of the way things have worked here in Saskatchewan, those jobs are reasonably stable.

I don't want to see a situation in which there's opened up to make it easier for companies from Alberta to come in and to compete for government contracts with the Crown corporations and those kinds of things, provide that kind of IT [information technology] service that ISM provides. I don't think that's in our best interest.

And I do think that if, you know, while you suggested that I'm against trade, I don't really believe that I tried to say that. And the examples that I tried to use aren't just sort of stories that come out of the, you know, out of my imagination.

I spent the last couple of months working with my union and with others looking at the high cost we pay, loss of manufacturing jobs in this country and what deals, what trade deal, how trade deals affect that. Everything from, you know, what's happening in the pulp and paper industry — and we all know the tragedy, I think to a very large degree, that's happened with that closure of that Weyerhaeuser mill and other forestry operations within Saskatchewan.

I see what mistakes were made with respect to the export of natural gas in this country which we all were told — every one of those things, we're told well there's this great benefit for doing these things. And you can also roll out an economist who will support this kind of stuff and will say, and say it's in the best interest in this country to do that.

We look at the virtually unfettered export of bitumen from Canada directly to the United States. I mean they're building pipelines directly down into, you know, into the Carolinas where they can refine a Canadian product, where we won't even build a pipeline to Eastern Canada so we can refine our own product, when we import an incredible amount of petroleum product every day into this country. And Eastern Canada imports it and we ship Western Canada product to the United States.

Those are all trade agreements which are for the best interests in . . . [inaudible] . . . They're not for the best interest of this country. They're for the best interests of the corporations who have managed to wangle these kind of deals out of government, relying on the governments that relied on the good advice, for the most part, of many of those economists.

We're talking about raw log exports in the United States. In British Columbia where mills are shutting down one after another, we've lost 1,000 jobs in British Columbia as a result of these kind of closures.

And these aren't just things that I kind of bring to you and sort of make up. These are real stories. I've met with those people. I know the hardship that that brings to families and those kinds of things as a result of some of those things. It's not just, it's not just a lot of hyperbole that I bring here to you to try to . . . And so I think that we have to be very, very cautious as we move along.

Mr. Weekes: — Well I just want to follow up. No I appreciate that, but I think the whole discussion around free trade, the NAFTA agreement is one that there is a tremendous amount of fearmongering. I mean you and other unions have stated again and again that it's 275,000 jobs lost in manufacturing. I'm not going to dispute that, but there's been hundreds of thousands of jobs created because of NAFTA. Our GDP has increased because of NAFTA. It is proven. It's factual. Were there jobs lost in certain sectors? Oh absolutely. They were probably going to happen anyway.

I mean, the world is changing and we in Saskatchewan and

Canada can't just sit here and say, well we're not going to take part in the rest of the world. Because we're a trading nation and a trading province — we have to be very aware of our markets and our . . .

The Chair: — Now I'm asking about the question in this discussion, Mr. Weekes. Do you have a question for clarification or are you beginning a debate with our witness?

Mr. Weekes: — I won't answer that question. Well my point is again, being a trading country and a trading nation . . .

The Chair: — I'm asking about a question rather than your point.

Mr. Weekes: — Do you agree that we have to have agreements with other jurisdictions in order to increase trade and investment and obviously labour's a big part of that. I mean, I mean if . . . I mean we can argue about which one is more important, but obviously investment and trade . . .

The Chair: — The Chair's not going to allow for debate. So I'll ask the witness to answer your premise and move on.

Mr. Hunter: — You know, as I indicated, look I understand that we have to, that we have to exist within the world as it is today, and I do understand that. I do understand that we have to reach agreement. Unfortunately I think that Canada very often has approached these agreements cap in hand, and we've got the bad deal. Even Mexico had the sense to keep a lot of their natural resources out of the NAFTA agreement and, you know, oil and gas within Mexico are exempt. Whereas in Canada we were dumb enough to make us a part of that thing. We've made a lot of mistakes when we've reached . . . We have made a lot of these mistakes. They're huge, and we're suffering the consequences as a result of that.

You know, you and I probably aren't going to agree on free trade. And this I guess is probably not the place to have the debate about it. But notwithstanding that, I think that you would have to admit that there are some significant shortcomings as a result of that agreement.

The Chair: — We're now entering into debating. I'll move on to Ms. Crofford.

Ms. Crofford: — Thank you. I want to explore this Red Seal program a bit more because it's my background that a lot of energy was put in across Canada to make the Red Seal a reality. And there were only two provinces that were not participating, in my understanding Quebec and BC.

Now I'm trying to understand the Red Seal program better. Is this a program that affects you all the way through your journey towards journeyman status? Or is it a program only for the qualification of journeymen?

Mr. Hunter: — You know, again I'm not a journeyman and that's not the sort of background that I come from. My understanding about the Red Seal program was that it was about setting standards, and it was about labour mobility and to be able to make sure that people can . . . Because there is a kind of common standard which would allow people to work from one

province to another. The concern with respect to TILMA is the fact that in British Columbia — because that standard is not there and because they're in fact kind of taking any given trade and then breaking it into several kind of subtrades — that what happens, what would happen under TILMA is that would allow those people to compete freely.

Ms. Crofford: — Yes. I think that as we go through our hearings, this is an area I'd like to understand better because we're searching for facts here. And so we'd like to take the most real examples we can and explore how TILMA would affect these things either positively or negatively. So I guess I'll just, I am sure there will be other presenters who have more background.

The other quick thing I just want to mention is one of the issues you raise is that this decision-making process will supersede the decision making of elected governments. And I think as we've seen around the world, the struggle for democracy is a pretty tough one. And I think anyone who's elected should be very thoughtful about giving up the rights of people collectively to make decisions above the rights of an individual corporation.

But again we're searching for facts and so whether it's evidence from NAFTA, given that it's a similar dispute resolution process where the private interest has overridden the public interest in these trade disputes . . . But again we're looking for facts in this process, and I think I have a couple but I'll leave it at that in the interest of the other people who have questions.

The Chair: — So your question then of the presenter: is there information that he has on a factual basis about the implications for the democratic process?

Ms. Crofford: — Either in the trade area or also the practical impacts on the Red Seal program. Because it is this ability to override, for example, local procurement policies, Aboriginal hiring, regional service requirements. As we heard in the telecommunications example — you missed that yesterday — but it was the federal government getting their telecommunications services from Rogers, and that those services don't work well in Saskatchewan but that doesn't matter.

So again what we're looking for here is facts. So if in the work that the people who are doing the support work for this come up with specific cases, specific examples, those are very helpful.

Mr. Hunter: — I'll endeavour to provide more background with respect to that. I think that I guess the concern as it certainly has been described to me was so much of this is, so much of the responsibility and so much of this is taken away from government and put into the hands of the unelected, and that raises real concern. You know, the reality is I guess as a Canadian I've got a lot of respect for government. You know, the governments I like, I don't always get the governments I want, but I still have a lot of respect for the process.

Ms. Crofford: — And we're a lot easier to yell at.

Mr. Hunter: — Yes, that may be.

The Chair: — Thank you. Mr. Chisholm for a return and then

Mr. Yates.

Mr. Chisholm: — Yes. A little more on this Red Seal program. I think the Red Seal program, from what I understand of it, has been a great benefit and certainly has solved a lot of problems. Alberta and BC identified initially 60 and then later up to 100 different occupations that do have problems in mobility. So the Red Seal program in the trades I think has done some admirable work. Your report indicates that — on page 6 — and perhaps it's a typo, but that "Saskatchewan workers would therefore face an uncompetitive advantage." Now could you tell me how.

Mr. Hunter: — Disadvantage. It should be disadvantage. I'm sorry about that. And I typed it myself so I can, only I can accept responsibility for making a mistake. It clearly is from, I guess from my view is that . . . And from what my understanding of the research done in this is because of the fact that qualifications, that the Red Seal program doesn't exist in the same way in British Columbia, and because of the fact that there's the certification of subtrades and those kinds of things — whereas in Saskatchewan those, you know, we don't have that situation — workers from British Columbia could get access to be able to come in and make it and work in Saskatchewan and basically undermine better qualified Saskatchewan workers as a result of that. And that's really the concern.

Mr. Chisholm: — My point that I brought up before is that if I have a construction project undergoing and what I need is a scaffolder and a scaffolder is available who is qualified in British Columbia but does not have the Red Seal, I don't need a guy to make cupboards that day. If that person can fit the job, I don't see that that's necessarily a bad thing. I can appreciate that the Saskatchewan person with the Red Seal, because we do have the program, could certainly take the scaffolding job in BC and maybe work on cupboards. So he may be more valuable to the whole project. But if what I need is a specific need and there's somebody available and qualified to do that need, then that may be the person that I want to have on the job site that day.

Mr. Hunter: — So I guess that's just my point. I think that what that does is bring pressure on Saskatchewan to lower their standards to start, in order to be able to compete for that job, to be able to say it's okay for, you know, what was once a craftsman to be able to sort of learn a part of the job and then find employment as a result of that because they can do some of that work.

And so in Saskatchewan, where we've insisted that people are fully qualified, in essence, to do the work, what we do is we put pressure on by allowing the less than qualified individuals to come in from British Columbia. What, in essence, that does is puts pressure on the whole, on the program here in Saskatchewan and in essence undermines it. And that's the concern really that we have as we kind of move through this.

The Chair: — Committee members, our researcher has pointed out that the provincial person responsible for the Red Seal program does live in Regina and I'm asking of the researcher to get more information from them on the Red Seal program. But if we're looking at our wrap-up days and want more information, would it be the wishes of the committee — I'll

leave that with you to answer later — to have them come forward and present to us, perhaps that last day when we're wrapping up? So I'll let committee members think of that.

I'll also point out, because we do have time constraints, what I'm going to do is in the speaking order allow those people who haven't asked of the presenter to do that first. And then when you're putting your name on the list for the second time, if it's all right with committee, we'll have you move to the bottom to make sure everybody gets a first chance. So I'll do that in future. Mr. Yates.

Hon. Mr. Yates: — Well thank you very much, Madam Chair. And seeing we have only a couple of minutes, I basically have one question. It has to go with the issue you talk about that we already have a, we're a free society and an open society and very few limitations to trade, labour mobility issues. Now we have had specific examples brought forward that I think all of us would agree that they're legitimate concerns. But this particular style of agreement, there's only one of many, many ways to deal with those specific concerns that are brought forward.

We're basically, in this country, today have a pan-Canadian approach to trade, a Canada-wide approach to trade. As we move forward and there are legitimate things that are going to have to be dealt with in regarding trade and labour mobility, would it be your preference that we continue with a pan-Canadian or Canadian approach to dealing with trade issues versus regional approaches?

Mr. Hunter: — Yes, it would be. And I think that it's, if I can . . . Well let me say yes, we do believe and we do support a more pan-Canadian approach.

The other thing that you talked about the very beginning was the fact that there are, you know, there are some concerns about qualifications that have to be dealt with, and I think that we should deal with those things. We should sit down and say if qualifications are different in Manitoba and Alberta and Saskatchewan for a particular job — and you know, as was mentioned, there are quite a list of those jobs in which there are differences in qualifications — let's deal with that.

The greatest concern I think that we have when it comes to dealing with it is that we just don't work toward the lowest common denominator. I think it's important within this country to have highly qualified individuals and that we're very careful when we do that. I think it's important for . . . And we're not against labour mobility by any stretch of the imagination. We really believe that if there are constraints then let's deal with them and let's try to harmonize a number of those things. But as we said, we don't believe the harmonization is necessarily working toward the lowest common denominator.

Hon. Mr. Yates: — Thank you very much. With that I'll end my questions because of the time, Madam Chair.

The Chair: — We're getting very close to the time that I'll call. But Mr. Iwanchuk, for a follow-up.

Mr. Iwanchuk: — Yes. In terms of a bit of a follow-up to Mr. Yates and the discussion. Just at the bottom of your presentation

on page 1 where you do talk about the . . . You have an agreement of bringing workers to Fort McMurray. I just wonder if you could expand on that a bit for us here.

Mr. Hunter: — There were a number of issues around worker shortages in Fort McMurray and pressure to bring in more foreign workers, and as we all know there are a lot of foreign workers working in . . . And we always have the view that if people would like to come and work and live in this country then that's fine, but we really don't think we should be bringing foreign workers into work in the manner in which we are.

And so we thought, it seems crazy in this country to have workers that can't find enough work in parts of the country while we were struggling to find workers in another. And we needed workers in construction projects in which we represent people in the Horizon project and others in Fort McMurray. And so we actually reached an agreement with the Quebec Federation of Labour and with Horizon to make it easier to bring workers from Quebec into Alberta and reached agreements which would fly them back and forth and those kinds of things. So we're working with the Quebec Federation of Labour and our union to accommodate unemployed workers in Quebec and provide work for them in Alberta.

Mr. Iwanchuk: — Okay. Thank you very much.

The Chair: — Thank you, Mr. Hunter, for your presentation this morning. Time goes all too quickly when we're looking into matters. There has been some requests for additional information. If you could get that to our committee we'll make sure that all members have that in hand, and thank you for your travel to get to us today. Safe journey.

Mr. Hunter: — Thank you, and once again I appreciate the opportunity to appear. Thank you.

Presenter: Saskatchewan Teachers' Federation

The Chair: — Our next presenter is the representative for the Saskatchewan Teachers' Federation, Ken Moore, who is STF executive assistant. If you'd like to approach the committee, Mr. Moore. We do have for members the written submission. And as we've mentioned to presenters, there's about 10, 15 minutes for the overview, and we'll open up for questions and try and keep within the time frame that our busy schedules allow. Thank you.

Mr. Moore: — Well thank you. Thanks for the opportunity to speak to the committee on this particular matter. It's a rather different process than what occurred in our neighbour provinces who've signed the agreement, where our sister teacher organizations never had an opportunity to speak to government about the matter prior to its being signed. So we do appreciate that opportunity here.

A little bit of context and background perhaps first. The Saskatchewan Teachers' Federation, as many of you would know, is the mandated organization in Saskatchewan to speak for those teachers within the publicly funded system, and we have some very specific mandates within the legislative framework of The Teachers' Federation Act, including promoting the cause of education, promoting the voice of

teachers in promoting teacher interests, and securing the best possible professional service for education in this province, among others. And as the voice of teachers in communicating with the government, as laid out in The Teachers' Federation Act, of course that's why we're here today to speak to some of the directions or issues that we see potential within the TILMA agreement.

As we prepared to do some research on TILMA, and of course its predecessor is AIT [Agreement on Internal Trade], and we were involved in some of the discussions around AIT through our work with the Board of Teacher Education and Certification, which I'll refer to as BTEC from here on in. And to the extent that regulations around teacher certification were part of those initial discussions around AIT, and to the extent that they are affected by TILMA is one of the key areas of interest for the Teachers' Federation. I'll speak a bit more to that as we go into the presentation.

Part of the problem of doing research on the implications of TILMA is that of course there's no hard data to work with since the agreement's just come into effect. And so much of the debate is either alarmist or defensive, and it's very difficult to get any clear facts as I noticed as my brief listening to the previous presentation.

Some of the facts that are there are contradictory. So for example the Conference Board of Canada has come out with numbers that say such-and-such will be the benefits to Alberta and British Columbia because there's so substantial barriers to interprovincial trade that removing them will create all this huge wealth. And yet a 1998 study by Brian Copeland, an economist at UBC [University of British Columbia], done for the British Columbia government pointed out that the barriers for interprovincial trade were actually minimal. So you get those kinds of contrary views, and it seems that people pick the one that most satisfies their particular viewpoint to justify their stance on TILMA.

I've been reading also a number of the comments within the legislature in Alberta, particularly those by Guy Boutilier — I think is how you pronounce his name — and Ed Stelmach. Numerous questions being posed to those people in the legislature about how they see the impact of TILMA impacting on particularly municipalities and school boards because in two years the intent is for TILMA to in fact reconcile and put those particular bodies also within the context of the TILMA process. The answers coming from those people within the Alberta legislature hardly inspire confidence. So to a query for example put to Mr. Boutilier about what will happen if, you know, there's a potential for corporations and/or individual businesses to use the appeal process to sue for up to the \$5 million and his comment was, well if they want to sue, line them up. It'll make one profession happy at least. So you don't get much fact either from the people that are in fact the sponsors and signees to this particular agreement.

The basic problem it seems to us — and I'll go into some more detail — but one of the real concerns we have I think is that particularly around this impact on local government and local government decision making. Again you get alarmist views and defensive views, and you can't really get much decision out of them. One clear point though that is being made in the Alberta

legislature at least is that these details still have to be worked out. Both Ed Stelmach and Mr. Boutilier continuously say in the legislature, listen we have to work with school boards, and we have to work with municipalities to figure out what the implications are going to be.

Well I'm not an economist, and I'm not a government person. But it seems to me, even in my own elementary kinds of views about signing agreements, that I am not prepared to sign an agreement, personally, that has in it the potential for economic damages being assessed against me when I haven't worked out the details of what those mean. Why would I do that? It's strange to us in that sense.

So with that I think we want to avoid, I think . . . What we're urging I think is caution, that when we go ahead and work toward freer trade . . . And I think the point we want to make is — like the previous presenter — we have no issues with having economy that is more open, economy that is beneficial to all the citizens of the country and to the province of Saskatchewan. That's not an issue for us in terms of opposing free trade in principle.

What we would be opposed to I think are agreements that do not in fact benefit the whole society. And in particular if those issues have impact on public education, which is our particular area of concern and interest, then we want to ensure that the people who are making those decisions about joining such free trade agreements in fact have the good sense and the good background to have done the research to ensure — not maybe — but to ensure that they have built the best possible agreement to prevent untoward negative effects.

I think that was why NAFTA in particular exempted health and education from that agreement because it's too broad and a variable and too many kinds of variables in that particular field to be subject to the sorts of normal, if you like, rules of business which is run primarily by a profit concern as a bottom line. Education and social policy and health policy are driven by a different kind of agenda which is, you know, that concept of the public good.

Now certainly social policy, at least in paper, is exempt within TILMA. But however even there, the concept of the least restrictive kind of environment could still potentially bring certain arrangements in. For example, funding of private schools in Alberta — we don't fund them here. Would that be a different kind of . . . Would that be challengeable? We don't know. But those are the kind of queries that we begin to ask.

The nature of the agreement itself is extremely broad in scope. Everything is included unless it's expressly excluded. And we note that education is not expressly excluded in this particular agreement, and the fact that school boards are specifically named as being one of those agencies who you brought in does therefore have impact on operations within this province.

Well what might those be? Well for an example, I've not seen any particular studies by school boards specifically, but I have read the city of Regina's legal opinion on the impact on it, for example, of the changed procurement rules. And there will be added expense to the city of Regina based on the assessment that was given to them by their legal counsel as a result of the

changed procurement strategies. Well if that's the case for the city of Regina, my guess it would be the same for any particular school board that was out doing tendering processes, for example, who now have to tender everything less than 10,000 or, pardon me, 10,000 or greater whereas before the city of Regina for example only went with 100,000.

Those extra costs would have to come from the pie of funding that's provided to education in this province. So automatically if that were the case, then you see that other pieces of the pie, expenditures from that pie going to other places within the education sector mean there is less there for the education of students in this particular province.

Again we don't know the facts because there aren't any there to substantiate them. We only can go on the basis of the kinds of information that you can pull from different sources.

We have a specific concern — and our report speaks to some of those, and it was also referred briefly in the previous presentation — a concern around certification standards. In our work with BTEC, the Teachers' Federation has worked with the other members of BTEC — which is the Saskatchewan School Boards Association, the universities, and the certifying official within the province of Saskatchewan itself — to ensure that the professional service as defined by the educational requirements and certification standards for teachers in this province are kept at a high standard. The federation has operated over the years from its foundation to increase the status and the qualifications for professional service in this province.

When my dad graduated as a teacher in 1929, he had six weeks of normal school. Well now you need a minimum of four years university. And that's been part of the process, not just of the federation, but of society in general.

One of the unique made-in-Saskatchewan characteristics of teacher education in this province is the high status by which our teacher education programs are considered all across this country. Go to a western conference where the western members, those who are currently a part of the TILMA, and they have nothing but admiration for the kind of internship program for example that we have in this province and the quality of our graduates that we turn out here in terms of teacher preparation.

One of those requirements for example in this province is that a teacher must have 48 hours, credit hours, of specific teacher education training. Well Ontario has 30. BC has a minimum of 30. So what would that mean if in fact regulations are harmonized so that a person certified in British Columbia or eventually if other provinces join that required only 30 credit hours, that would mean that teacher would come to Saskatchewan, and if I read TILMA correctly, without any further need for upgrading, any further need for retraining — to in fact effect a quick transition of the labour mobility piece — that teacher would automatically be recognized under the mutual recognition clauses of TILMA as certified in this province.

Now do we put up barriers to other people coming into this province who have lesser certification standards than we? Well we've worked hard through BTEC and the current provisions

around AIT to decrease the barriers, but to ensure the standards. And I think that's the process that we would argue is necessary in any free trade agreement — right? — decrease the barriers but maintain your standards.

So what we've done for example in BTEC and in this province, if a teacher comes in from another province that does not have, say, the 48 hours of recognized teacher education but otherwise meets the standards . . . they might have a B.Ed. [Bachelor of Education] for example from another university. We get people for example with B.Eds. from England who have only . . . They've got a B.Ed., Bachelor of Education, but they only have somewhat like 15 credit hours of teacher education training. They're into just teaching subjects, not kids. Well we recognize them. They can get a provisional certificate in this province. So they go through an application process which is not as Mr. Boutilier argues bureaucratic nightmarish red tape, but rather it's a standard procedure to get certification, get a provisional certificate, and then you have a couple of years to meet the higher standard that you need to meet in this province. We do that with doctors already in this province. You have to come in, meet certain standards. Which as a side piece, it's interesting that medical physicians are exempted from TILMA. Dentists are not, strangely enough.

So when we come to our specific concerns, our document that we provided to you I think is more specific on those. Much of what I've said so far was context for that particular document.

Our concern is that free trade agreements, unless there is provisions to protect otherwise, have a tendency to lower the regulatory standards of services. Now there is some hyperbole related to this depending on which side of this issue you fall down on. But it seems pretty clear to us that the very fact that we've had to do what we've had to do with regard to AIT in terms of harmonization of standards to ensure that our standards are protected, gives me belief that if TILMA comes into effect, where there are no such protections — all that is required is harmonization of standards — is that we will likely find a drop to lowest minimum standards.

Now is that evidenced yet? Hard to say. The federal Minister of Industry — I have his name here, sorry yes, Mr. Bernier, yes thank you — Mr. Bernier made a comment in testifying to the Senate on TILMA that in fact in his view TILMA was a good thing because it forced regulators into competition with one another.

Well I don't think the regulators are in competition with one another to increase their standards, if I'm reading TILMA correctly. It is in fact to make the standards more harmonious, which means that those people who would already have the lowest particular regulatory standards would be in a position, as Bernier indicated, so that businesses could choose to operate in the least restrictive regulatory environment which then, if you're going to attract those businesses, means you would have to match that least regulatory environment. That's the interpretation we're putting onto it. And we're asking that people who are considering free trade agreements take a careful look at those kinds of things to ensure that that does not happen.

We ask questions in our document about the impacts on education because the examples that have been given so far in

much of the discussion around this are more related to labour union issues and to strict business issues than they do to the sector of education specifically. We've found very little discussion on that in the research.

But some of the questions we asked for example are around, would Saskatchewan, if we joined TILMA as it currently is structured, would we be required to adopt the same kinds of criteria regarding the funding of private schools as exists in Alberta and British Columbia? Would our failure to adopt those regulatory similarities mean that we'd be in violation of TILMA? I don't know. What about private firms that might offer educational services in one province or another? Would we be then in the same situation? We've gone a long way in this province to ensure that public education is in fact public and not eroded by selling off of public services to private commercialized venues.

An interesting question that's arisen between British Columbia and Alberta for example is that BC has passed a regulation that prohibits the sale of junk food in their schools. Alberta has specifically gone on record saying they will not do that. Well would Coca-Cola or some other particular vendor of junk foods in Alberta, would they now have the opportunity to challenge a British Columbia regulation because Alberta's is the least restrictive environment? I don't know, but it's an interesting question from our perspective.

In sum then I think that what we're saying is that free trade agreements, unless carefully thought out and carefully looked at with the potential effects to the lowering of standards and to the erosion of those things that are legitimate provincial responsibilities — and in this case education very clearly is a constitutional authority to provinces to provide a public educational system — and to the extent that any kind of free trade agreement would erode the either provincial or local authorities to provide that educational service in the public interest and not in commercial interests, to us is something that needs to be very seriously considered as you go about working on any kind of free trade agreement.

Teacher mobility in Canada. Teachers are included incidentally under the 16 now 100, I guess, exempted areas in part VI as part of the two year window where they're going to work over the next two years to harmonize the regulatory environment to ease mobility of people. Well if you look at the graduation records of the U of S [University of Saskatchewan] and the U of R [University of Regina] and the employment stats as to where many ... about one-third of those people often end up in another province. Mobility certainly hasn't been a problem in terms of our teachers getting jobs elsewhere.

In part it's because of the high standards that we have, but it's also because of other kinds of factors — higher salaries in Alberta, all those kinds of ... more opportunities because there's a greater number of students in those particular provinces.

We don't think that mobility has been an issue because we have worked through Board of Teacher Education Certification to establish those kinds of processes that allow teachers to move back and forth between provinces with a minimum of red tape, but at the same time ensuring that teachers meet the standards

for professional service that we have deemed in this province to be important for us. And we believe that TILMA really adds nothing more to that other than the potential for those regulatory environments to be, in our sense, watered down.

I think again, perhaps in summary, our position is not to make large comments about the value of free trade. We believe that trade in a modern world is important. We recognize that free trade is a reality and needs to be looked at. However because one endorses the concept of freer trade does not necessarily mean that every free trade agreement that is constructed in fact meets the criteria of sound public policy. And I think it's that particular screen that we're urging be put on this when you are going about making the decision to join or not to join.

And that lastly, when we look at areas where there is a huge interest, a huge public interest, things like social policies around health and education where there are provincial responsibilities and local responsibilities to ensure that the people in those particular jurisdictions are having their needs met as the first priority not commercial needs of the world market met as the first priority — we think that that's how the trade agreements need to be constructed. Let's put the priorities correct. Thank you.

The Chair: — Mr. Iwanchuk.

Mr. Iwanchuk: — Yes, thank you, Mr. Moore, for a very enlightening presentation. I was writing when you were talking, so I might have missed a bit here. But I was interested when you were talking to where you worked through at BTEC and AIT to decrease barriers but not standards. I was wondering if you could just maybe, in more detail, like you know, how you perceived the problem and then some of the processes that you used to deal with that.

I think we've been also dealing with questions of, you know, Canadian approaches versus, you know, provincial approaches to these things. So if you could maybe just expand on that for me.

Mr. Moore: — I'll try. I sit on BTEC and the person who chairs BTEC is a certifying official for the province of Saskatchewan, and that person's involvement is often at the pan-Canadian level, sitting with other representatives in equivalent positions to work through issues about how we can make movement of teachers easier. And then that information is brought back to us at BTEC, so I'm speaking from the participant on BTEC point of view, not the certifying official who would have more information on this than I would.

Having said that, the problems we often get at BTEC are this. A teacher has had training in another province and wants now to work in Saskatchewan. So to do that of course, you need to apply to the minister in this province to get your teaching certificate. To do that, you need to meet the requirements for teacher education as set in the regulations and those include the minimum kinds of standards, one of which I referred to, which is the 48 hours of teacher education.

Well many of the universities, many of the teacher education programs across the country have different standards than that. Ontario is the most common one with only 30, and we get a lot

of people from the East coming this way looking for work, and so they need to meet.

Another example we've had is, for example, people from the Maritime provinces where oftentimes they don't have the required minimum number of post-secondary education because their first year university was in fact — in many instances, until the abolishment of the grade 13 — was in fact not a university year. So people had to make up those differences when they came here.

And what BTEC did, through working through the council of ministers and the people who are the certifying officials, is to reduce the time frames, make it possible for teachers who had the appropriate kinds of university training — but not necessarily the appropriate teacher education hours — to come, get a provisional certificate, and then make up that difference over a period of time, typically in a couple of years. And then they can apply for the permanent certification that comes with meeting the particular standard.

And so that's the process that we've tried to use in BTEC. Whenever we've had people applying to the province and it comes to us as an issue, then that's the kind of process we've put in. It gets even more complicated when teachers come in from out of country. Now I notice that Mr. Boutilier has indicated in his stuff in the legislature with regard to TILMA that any particular foreign-credentialed person — including teachers, I presume — who would get certified in any particular province would then automatically be certified under the mutual recognition clauses in the other.

Well once again you see there's a dilemma from our perspective. And a recent case in Ontario, and I don't recall the specific details, but it had to do with a teacher who challenged the Ontario structures around certification because she was unable to present the documentation from her university that she had in fact done the kind of work that was required to be done. And in that instance in the ruling that occurred, perhaps with good reason because she was a refugee status, at any rate that documentation had to be taken at face value. And as I understand it, the teacher became certified. Well under a TILMA agreement that person now automatically becomes certified here. And it may well be that she is credentialed well enough but I don't know that from any of the documentary evidence that's there at this point.

But it points out how the minimum requirement in one area then becomes acceptable elsewhere under what I understand the terms of TILMA to be. And I don't see any protections in TILMA to ensure that minimum standards that we've set in a particular province need to be respected. Now I suppose one could argue that those are open to challenge but then let's have that discussion. If our standards are too high, then let's have that discussion before we sign off on getting rid of them.

Mr. Iwanchuk: — And I guess that was a concern. We can talk about reducing and goods and purchasing and getting things at the cheapest price but it's quite another thing when you enter into education and standards in education. I mean sure they have to be looked at in a different light because these are sort of our future people coming up and taking their place in the world. So it would be a very interesting debate that they have now put

that into discussions. As to why you would discuss that, I would think we would be trying to achieve a higher standard. Again that's just my opinion for whatever that's worth. But thank you very much for that explanation.

The Chair: — I have schooled others about debate and input for what it's worth so we'll maybe ask members to keep that to a minimum during the hearings. Thank you. Mr. Chisholm.

Mr. Chisholm: — Thank you. In the conclusion of your report it's interesting that you are encouraging the government to have open dialogue on this TILMA issue and how it affects Saskatchewan. And then the second resolution is that in other words regardless of the results of the discussion, that the STF lobby the government not to enter the Trade, Investment and Labour Mobility Agreement or any other agreement that would have a negative impact on Saskatchewan education sector. So it seems that regardless of your commending our procedure here and the whole procedure of discussing this whole issue, that your group has pretty much made up their mind as to what their position is.

Mr. Moore: — Well if I can just clarify that. I think the two resolutions at . . . First of all one recognizes that resolutions are passed at our council and our council operates if you like, much like the, I'll call it the legislature of the Saskatchewan Teachers' Federation. And so not unlike other legislatures, you often find that sometimes things get discussed and perhaps even passed, that may be contradictory to one another. But I don't see an inherent contradiction here.

I think the key piece is that the first resolution speaks to the Government of Saskatchewan in conducting an analysis which I've mentioned. I really think it's very important to do a full and complete analysis of it in an open, transparent manner. And I've indicated we commend you on doing that which didn't happen in our neighbouring provinces.

But secondly it says that we not enter TILMA or any other trade agreement that has a negative impact on the education sector. In other words, if in the analysis and the inquiries and your discussion, you find information and/or evidence or have worries or concerns that it does not protect negative impacts on the education sector, then we urge you not to join. The key is: join free trade agreements that in fact are beneficial to the society as a whole and that do not have a negative impact on the education sector.

Mr. Chisholm: — Thank you.

The Chair: — Ms. Crofford. Oh, you have more questions?

A Member: — Yes.

The Chair: — Sorry, Mr. Chisholm. Continue.

Mr. Chisholm: — Thank you. We're talking about standards and your concern that standards would be lowered. We're talking about British Columbia, Alberta, and Saskatchewan. Are Saskatchewan standards higher than the other two provinces? Is there a simple answer to that?

Mr. Moore: — The certifying official tells me that with regard

to Alberta and Saskatchewan that the number of credit hours required, minimum credit hours for teacher training, is 48 hours in both cases. So between Alberta and Saskatchewan there's less of an issue. My understanding is that British Columbia has a minimum of 30 credit hours required, so there is a difference there.

Mr. Chisholm: — That can't be the only standard that we're concerned about here, is the difference between 30 and 48 hours of particular training.

Mr. Moore: — No. What I'm saying is that's one example of where there is differences in standards. And the assumption of TILMA is that there will be harmonization and our concern is that the harmonization not go to the lowest. We don't know whether that will happen or not. We are simply flagging that as a concern.

It could also be a concern, for example, to take another example, if in Saskatchewan we have a four-year program, for example, where at the U of R you can become a teacher through a four-year teacher education program. And the philosophy of that program is that you need that immersion, if you like, in the philosophy and thinking about what it means to be a teacher, what is the identity of a teacher, in addition to learning the subject matter that you're going to teach. The concept is you learn to teach children about subjects.

Well in many, in many jurisdictions . . . And let's not forget that TILMA has already excited interest in the States as being joined by some Americans. That's part of the underlying discussion. But in some cases — in this province as well, but in others — teacher education is a post-degree program. You go and you study a particular subject first. Then you go spend some hours — minimum 30 in some cases — in a teacher education program, and you go out and you become a teacher. So what you've done is you've learned about a subject that you're going to teach kids the subject instead of teaching the subject to children. It's a philosophical difference perhaps.

In the United States they've got to the point where teacher shortages have got to where they will take a person who's an accountant, and because accountants know mathematics, take them into a summer school course, give them six weeks of teacher education, and bang, he's a teacher.

Well how broad do these free trade agreements go? We don't know. I'm saying, we are saying, be cognizant of those things. Think them through when you're making those kinds of decisions.

Mr. Chisholm: — Okay, thank you. Another question. You mentioned in your presentation that doctors are exempt and dentists are not. Could you show me where you got that information? I've studied the agreement and I don't believe doctors are mentioned, or certainly not as exempt.

Mr. Moore: — Well the reason I'm going on . . . And let me just pull up the agreement here. What I was referring to was specifically the list of exemptions in section VI, part VI, transitional measures. And perhaps maybe I should have been clearer. In part VI, the transitional measures of the TILMA agreement, there's a number of professions listed who are in

this transition period where they have to . . . There will be a two-year transition period for them to harmonize the different regulatory environments.

And I notice in that listing that dentists are in fact part of that group as are teachers, but I do not notice physicians in there. Now I'm assuming at this point in time, because my son's a doctor in Alberta, I do not think that you can automatically practise in one province and go to another one without meeting the particular standards of that province.

Mr. Chisholm: — Well there certainly is nothing in the agreement that says doctors are exempt from this agreement and that was the indication I got.

Mr. Moore: — Okay. Well then my point of clarification is that they are not listed in those particular series of exempted, the two-year exemption period for people to be brought into harmonization. I merely raise that as an issue that it doesn't appear from my quick reading that all professions are included in the harmonization discussions. But perhaps doctors already are licensed in Alberta and British Columbia and can move freely back and forth between both provinces . . . [inaudible interjection] . . . Okay. If they've met the Canadian . . . I think you have to pass the Canadian standard tests first.

Mr. Chisholm: — Thank you.

The Chair: — All right. Ms. Crofford.

Ms. Crofford: — Thank you. It's interesting, the question of whether higher education standards is what makes you more mobile. But my question is around procurement. Currently in Saskatchewan would all of the school boards be following the AIT on procurement?

Mr. Moore: — A question I can't answer. You're best to ask the school boards association that. I did notice in the city of Regina a notice that they do follow the AIT already. I'm assuming they would because it's . . . [inaudible] . . . but I don't know that.

Ms. Crofford: — Yes. I'm just wanting to pursue a little bit more the impact on the lowering of the thresholds on both the practices, the cost, but also the impact on whoever the suppliers are that they're using now. Because again, if the contention is that more jobs will be created, I need to know where. And because I'm a politician and I live in a little area that's bounded by a few square miles — not quite like you guys; you've got a little bigger distance you cover — and I need to know whether these kinds of changes are going to increase opportunities or reduce opportunities. So the procurement thing's fairly important.

Mr. Moore: — Part of the dilemma may well be that because our new school boards are so new — in fact they've only been in existence now for a year — that their policies around these things are probably still very nascent. Many of them do have them up on websites now. Anyone could check that I think by doing an analysis.

Ms. Crofford: — Yes and I appreciate that you're representing the STF but I thought you might have a little more information

on that. Thanks.

The Chair: — All right. Thank you very much for your presentation this morning and the standing up to the barrage of questions from committee members. I'm going to have a five-minute break with the indulgence of the next group. We'll let them get ready. There are six that we have identified so far. So thank you very much and if there's any information you find during the next number of weeks that you want to add to your presentation, you could send them to us and we'd provide to all of the committee.

Mr. Moore: — Very good. Thank you again for the opportunity.

The Chair: — We'll reconvene at 10:35.

[The committee recessed for a period of time.]

Presenter: Council of Canadians — Moose Jaw Chapter

The Chair: — All right. Thank you, committee members, for reconvening so quickly. We have representation from the Council of Canadians, the Moose Jaw chapter: Don Mitchell, Dale Holmberg, Gerhardt Scholten, Dale Jackman, Lorne Elkin, and Marion Tolley. Have I missed someone in your group? All right.

I understand not everyone's presenting. I see two members approaching to be presenters, but the rest for support. Don and Dale are going to present, and then I think it's from this side, Lorne and Gerhardt. . . and Lorne and Marion. Is that correct? Say hello, good morning to all committee members. And we are going along the rule of about 15, 20 minutes presentation and then the rest of the time for questions and answers. So I'd invite you to begin your presentation.

Mr. Mitchell: — Thank you. I think we can fit within that easily. The Council of Canadians, for those of you who aren't familiar, is of course a national organization of citizen advocates for a number of policy issues of concern to Canadians, and free trade has certainly been one of those issues, concerns about Canadian sovereignty. There are over 100,000 members and supporters of the Council of Canadians so proportionately, although we don't know our membership, it's probably about 3,000 in Saskatchewan who are supporters or subscribers to Council of Canadians activity.

As citizens of Saskatchewan with the kind of rich, collective history of active government and creative public policy development, we find it quite difficult to imagine that our government and legislature would seriously consider entering a proposal designed to systematically undermine the exercise of democratic community leadership at every level. Yet here we are considering TILMA, the BC-Alberta Trade, Investment and Labour Mobility Agreement, which is the most sweeping corporate Bill of rights we think in Canadian history.

We are thankful at least that the Saskatchewan government is allowing public discussion and debate. As we know, the joint cabinets of BC and Alberta in April of last year proceeded arbitrarily without discussion or consultation into this journey. They ignored their citizens at large, their legislature and their

elected municipalities, school boards, and health regions all of whom are so drastically affected by the terms and provisions of this agreement. And we appreciate that this process as a minimum, although we regret that its format is not more broadly engaging of the community, is taking place. And we hope that you will be provided with sufficient evidence of concern to enable you to reject the offer of participation in this ill-considered, regressive, and anti-democratic proposition.

We want to be clear at the outset that we do recognize, as the previous presenter mentioned, recognize and endorse the merits and necessity of trade and labour mobility in Canada. We don't believe that there are serious barriers to trade and labour mobility that couldn't be addressed through existing mechanisms and processes such as the Agreement on Internal Trade, and that process has been ongoing. TILMA, we believe, is a solution that is really searching for a problem.

We also understand the importance of investment in industry and infrastructure from both private and public sources, but such investment must be subject to and guided by the express needs and interests of the communities in which this investment occurs. We are not in favour of unfettered corporate investment rights that are sanctioned to systematically override community interests and priorities in such areas as environmental regulation, health, or community planning priorities, and that's the nature of this agreement.

TILMA is a radical agreement. It's a creation of the far right, working out of backrooms and consulting only their business cronies. Its neo-conservative advisers designed it to move unregulated corporate power or globalization into Western Canada through the back door when we were already confronting it through broad trade agreements such as NAFTA and some of its provisions in the mainstream of free trade. In the words of its proponents, this agreement will in great measure erase provincial boundaries and challenge the role and purpose of provincial and local governments.

The Fraser Institute and Canada West Foundation, both bastions of free market conservative ideology, enthusiastically applaud this agreement. Todd Hirsch of the Canada West Foundation stated in an article, quote:

It seeks to rid the provinces of all barriers to trade, investment, and the movement of products . . . Within the agreement are the seeds of a true economic union, an erasing of the provincial boundary for all purposes except voting and the colour of the license plate.

From Todd Hirsch's perspective, the dismantling of provincial and municipal governing powers and authority is a good thing and he clearly understands that TILMA will have this effect.

Ellen Gould, a trade research analyst in Vancouver, observed in her analysis, quote:

This agreement is being . . . [promised] on a false basis. Alberta and B.C. politicians are selling the agreement on the claim that "billions" could be saved by eliminating so-called inter-provincial trade barriers. Economists have debunked these claims. Real barriers to inter-provincial trade are minimal. The claims about inter-provincial trade

restrictions are really an attack on the public sector's right to regulate.

Mark Mullins, executive director of the Fraser Institute, points out:

This agreement extends to municipalities, school boards and other publicly funded and operated entities . . . If a measure is not specifically excluded, it is subject to the rules.

Again sweeping application of TILMA to challenge, penalize, and override local government jurisdiction and discretionary policies is important to the corporate agenda.

And finally, Gary Mar, Alberta Minister of International and Intergovernmental Relations, stated with enthusiasm in speaking to the Richmond Chamber of Commerce last year, quote:

The whole thing is backed by some very big teeth, in which either government can be subject to fines of up to \$5 million [which] should we not bring ourselves into compliance. The TILMA dispute resolution is accessible, co-operative, consultative and enforceable, everything business asked for. And it supports the most open free trade agreement in Canada, also what business asked for.

So in summary the authors of this agreement clearly understand that it is a pro-business document and a challenge to the exercise of democratic government. It can challenge any initiative whose actions can be interpreted or challenged by any corporate citizen and referred to a dispute resolution trade panel as a barrier to investment. Any public entity can be fined up to \$5 million with no legal recourse or legislative protections, all of which have been signed away within TILMA.

As Murray Dobbin, author and independent journalist, stated, quote:

It's hard to imagine a more anti-democratic initiative by a government. The governments of Alberta and B.C. have actually created greater rights for interests outside of the provinces to intervene in the legislative process, than they have guaranteed for voters in their own provinces. Beginning in April 2007 the value of citizens' votes will drop, as governments of either province will be restricted from increasing their standards or regulations in any way. Also they will not be able to undertake most kinds of regional or industrial development incentives. Governments will have much less to do and much less capacity to do it.

This limitation on authority extends, as the Fraser Institute reminded us, beyond provincial legislatures to municipalities, school boards, health regions, universities, or Crown corporations. Article 3 of the agreement states there shall be, quote, "No Obstacles" that would impair or restrict quote, "trade . . . through the territory of the Parties, or investment or labour mobility between the Parties."

It further states, quote, "Parties shall not establish new standards or regulations that operate to restrict or impair trade,

investment or labour mobility."

The chill effect of these measures is being felt in BC where health regions are avoiding the option of preferential local food purchasing policy because of fears of a possible TILMA challenge.

The city of Burnaby on January 31, 2007 adopted a report in council which detailed their concerns and said in part the municipalities and public have not been engaged in the discussions and there has been no apparent analysis of the real impacts on the quality of life issues dealt with by municipal government regulations and bylaws. And also quote:

. . . TILMA has the potential to have far reaching impacts on municipal objectives; therefore it is recommended that Burnaby ask the Union of B.C. Municipalities to review the agreement and consult with the provincial government and municipalities with the intent of making required changes, exempting municipalities or by having the province withdraw from the agreement in its entirety.

The city of Saskatoon also outlined its concerns about the potential interference of TILMA in municipal jurisdiction. Detailed report to Saskatoon City Council on February 26 of this year pointed to five areas in which existing policy options by the city of Saskatoon would be subject to challenge under TILMA. And I have the Saskatoon document as a reference but I'll just summarize briefly the areas that they identified as being affected — were downtown enhancement initiatives, targeted business subsidies through tax incentives, residential housing standards, restrictive smoking bylaws, or other environmental measures which set higher standards than other competing markets within TILMA, and petitions and referendums as a source of direct policy initiation by citizens.

Just to illustrate this last point, the city of Moose Jaw was the source of the first progressive bylaw in Saskatchewan to ban second-hand smoke in all public places. That bylaw happened initially because a group of school students went to the city council with an appeal for action. Council's refusal to act led to a city-wide petition forcing a plebiscite ballot which was approved by two-thirds of the citizens and the city was then forced to enact a bylaw. This later led to the province drafting legislation for a province-wide ban on second-hand smoke, which I think had bipartisan support.

None of this would have happened under the rules of TILMA. Protection from second-hand smoke was a definite trade barrier for tobacco retailers and hotels and bars in Moose Jaw, especially when other jurisdictions had not made this measure. They could have easily sued the city and later on the province for up to \$5 million under TILMA if we were out of step with Alberta and BC.

On the question of labour mobility we agree it's important to enable labour mobility across regions and provinces with a minimum of unnecessary restriction. Professional associations and their provincial bodies, from nursing associations to tradesmen, architects, engineers, lawyers, and teachers, as we've just heard, have all addressed labour mobility. Discussion and agreement to further promote labour mobility doesn't need TILMA. And as an earlier presenter stated, as I

read in the *Leader-Post*, the TILMA response is like taking a sledgehammer to go after a fly on questions like labour mobility.

In summary, you have serious deliberations ahead. Saskatchewan's participation in TILMA would, we believe, be a serious setback for the province and its people. We urge you to recommend against signing on to this sweeping agreement.

The model of unregulated free trade does not respect or protect democracy. It erodes it. There is no consensus on economic benefits of free trade because there are such winners and losers. And this has been the case since the original Canada-US Free Trade Agreement.

A growing disparity between rich and poor, nationally and internationally, is a direct result of free trade globalization. International wage levels and social and environmental standards are reduced as corporations seek to enhance their profits through mobility. This is true within NAFTA and within the economies of Canada, the US, and Mexico.

Some corporations and their investors thrive under free trade because capital is mobile and stockholder investments can benefit in short term from global mobility. But communities and their standards here and abroad are often made to suffer. We don't need to make this a model for internal development in Canada as we face the great challenges of the 21st century. Governments, including our provincial and municipal governments, must be allowed the continuing capacity to govern democratically and address the social, environmental, and economic needs of our citizens without arbitrary and unrestricted challenges by corporations. Thank you.

I should have mentioned by way of introduction that I was also on the municipal council as a councillor and mayor in Moose Jaw for six years which is part of why I'm sensitive and we are as a group sensitive to the impact of this on municipalities, which I don't think was considered in the initial agreement. They weren't consulted. And I'm glad that at least there's been discussion here with municipalities and the major cities. And there is a group trying to put more analysis together.

The Chair: — Thank you very much for your presentation. I am opening up to the committee members for questions. Mr. Yates.

Hon. Mr. Yates: — Thank you very much, Madam Chair. Your presentation really seems to have two underlying themes. One is about the role of the elected legislators and the municipal councils and those elected by citizens in the province to direct issues internal in the province. And the second theme that I see in here is clearly that the issues that you see as being real out there can be dealt with through the existing federal pan-Canadian approach to trade.

So I've asked this question of virtually every group that has come before us. Do they favour the pan-Canadian approach — Canadian approach versus regional trade agreements? So that would be my first question. And secondly, in the issue of the, I guess, the authority of governments or the autonomy of governments to make decisions, it's really in the dispute mechanism in which that is lost to some degree. So what type of

dispute mechanism would you favour if there is one in any type of future agreement between provinces?

Mr. Mitchell: — Well on the first question, I guess the issue for us isn't so much pan-Canadian versus regional although we're talking about a regional agreement and it stands out as much more profound and sweeping because of the ideological alignment between Alberta and BC that it's gone as far as it would. It's difficult to imagine that kind of agreement on a national basis, but if it existed — pan-Canadian — it would not be better or worse than TILMA if it had these kinds of sweeping provisions.

The nature of the agreement is that everything is included except what is specifically and for short terms exempted, including the existing legislation of provinces. Anything new is subject to challenge. So that enhancement of regulations at whatever level, or whether these are major or minor regulations, is difficult under this agreement because you're trying to standardize. You're operating within an objective of standardization of all regulations, and so the pressure is to reduce, to reduce the regulatory environment in all cases. The objective of the agreement clearly sets that out.

So it's the nature of the agreement. I mean it's not just coincidence that it comes out of Alberta and BC, but it's the nature of the agreement that's a problem, not just that it's from a region as opposed to across the country. It would be, I mean ... And they're talking to Ontario as well. It would be extremely serious setback to governments of every level if this became a national proposition.

On the question of dispute settlement, I'm not sure that's something that ... I think the problem here is that, as with the NAFTA and WTO [World Trade Organization] dispute settlement mechanisms, it's a private, appointed, all-powerful, meeting-in-closed-sessions grouping that is empowered under the provisions of this agreement with no public access or accountability. And it's a kind of parallel system to the courts. So that's the worst and least accountable except to the corporate environment dispute settlement mechanism. What an ideal would be, I'm not sure, and that's not something I can speak to directly. But certainly the role of public sector and judicial authority should be more central than simply a parallel process that hands it off to corporate lawyers in most cases.

Hon. Mr. Yates: — Thank you very much, Madam Chair.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Thank you, and good morning. The existing mechanisms under the AIT have been in place for some 12 years, and I think you indicated that you thought as far as labour mobility was concerned they were either, things were going along pretty well there or that it wasn't a problem or a serious problem. Like when Alberta and BC just looked at their labour mobility within their two provinces, they established ... First there was fully 60 occupations on which there were problems, and when they further got into it, that number rose to 100. So certainly there is some programs in place like the Red Seal program which is, you know, specifically for, that looks after the journeyman trades, that is working in a good part of the country. But I think it was pretty obvious that labour mobility is

a deterrent for citizens, people of our province wanting to seek employment in our neighbouring provinces and vice versa. So maybe you could just comment on that.

Mr. Mitchell: — Well there's been several professional groupings have commented on this, included the engineers and chartered accountants, not so much for or against the agreement per se, but challenging the notion that there are not processes in place to work out mobility among them.

So I mean the thing about the internal agreement on trade existing is that issues are brought forward and targeted for discussions and there has to be some willingness to move forward. But it's targeting the issues and the problems specifically to address them, as opposed to a sweeping provision that everything be harmonized and deregulated.

Some standards may differ by region for good reasons. And I'd be interested . . . and you saying there's 60 that have problems. And we certainly see a lot of labour mobility between Saskatchewan and Alberta. I haven't heard that that's a major problem among trade workers etc. Now maybe you could . . . I'm not sure if it's fair to ask questions back, but I'd be interested in the nature of the problem and why those couldn't be addressed through the existing mechanisms.

Because I wouldn't dispute that there may be some problems, but I don't think this sweeping agreement is really aimed at the issue of labour mobility. It's kind of incidental to the core provisions of it in terms of investment rights to come into communities and not be challenged by something that is interpreted as a barrier by a legislative body, whether that be a health region, school board, municipality, or the province itself.

So it's very uneven. If labour mobility is an issue, you know, maybe that needs to be brought forward for discussion. It's kind of a side issue to the impact, the economic impact and the limitations on government of this agreement that protects the rights of investment.

But I'm curious that there's that many cited. But I'm curious about the nature of the problem of labour mobility as it's presented because I haven't seen that in the documentation — good examples of that problem.

Mr. Chisholm: — Well the 60 specific occupations are a part of the TILMA agreement, of the initial agreement. So if you're familiar with the agreement then that certainly was about a 10-page part of the actual agreement was listing the initial . . .

Mr. Mitchell: — They're saying they're not aligned, but what problems that has created, I haven't seen a good illustration . . . [inaudible interjection] . . . Right. Yes, I mean these are certainly addressable issues outside of TILMA, I would think.

Mr. Chisholm: — Addressable but not addressed. In a 12-year period of time that another agreement 12 years ago was going to address these things across the country. And I think BC and Alberta realized that the process was inoperative and decided to come up with a solution that would work for them.

Mr. Mitchell: — Well I think, I guess what it comes down to is I don't think we sacrifice our sovereignty and our right to

govern as a province, including local government authority, for the sake of streamlining labour mobility — which isn't to say that labour mobility shouldn't be streamlined. I think the scale of the issues is quite different and this agreement is not primarily about labour mobility.

Mr. Chisholm: — In your comments you said that economists have debunked these claims, the claims being that there would be potential addition to the GDP of the provinces involved in the agreement, and job creation. Are those the numbers that you claim have been debunked?

Mr. Mitchell: — I'm sorry. I missed part of your second last sentence. The numbers . . .

Mr. Chisholm: — Of the increases that would be, would come to the provinces involved in the GDP and the job creation. Those were the numbers.

Mr. Mitchell: — Yes, right. Yes, they've debunked that.

Mr. Chisholm: — That's been debunked.

Mr. Mitchell: — And I've got a couple of articles here. I only attached a couple of appendixes. But I mean there's some debate because there are certainly in-house economists working with the Fraser Institute and others, so it depends partly from the perspective they start from and the imagination they apply. But the solid basis for the numbers of 1 per cent GDP, nobody can discover the source of that and have that crunched out. And I'll leave you with an article here which goes into that in some detail.

The Chair: — Is that the article that's attached to your presentation that each member has?

Mr. Mitchell: — No. This one's called "TILMA's fuzzy math." It's a two-page summary.

The Chair: — If you could give that to our Clerk's assistant so that we can have them presented to all committee members, that would be good.

Mr. Mitchell: — Sure. Thank you.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Just reviewing the process that the TILMA has taken place so far within our province and the province's consideration of it, the government of the province commissioned the Conference Board of Canada to prepare a report regarding TILMA and the influence it would have on Saskatchewan back in the fall of 2006.

The report was completed in December 2006 and made available in March or April 2007. So the government has actually, you know, used some of your taxpayers' dollars to pick who they thought would provide a good, independent analysis of the impact on Saskatchewan. That was the report that was prepared for.

The report came out, indicates that in their opinion the impact would be some \$291 million in additional productivity within

our province and some 4,400 jobs. Now supposedly the report, you say people have debunked it. Other economists have said they think it's probably on the low side of the impact.

So do you have any indication of, do you think that the agreement — if Saskatchewan was to join the agreement — would have no effect on the GDP or job creation in the province or do you just dispute the numbers that were in that report?

Mr. Mitchell: — Well I certainly dispute the numbers and then the objectivity of the source and their approach to it. I guess, you know, I'm not an economist and you're going to have a range of perspectives on this, but when I look at the examples of where there is need for deregulation — the kinds of disharmony between provinces — I don't see the major cost implication or savings or economic flows that result from the nature, the examples or illustrations of the problem that have been provided. For example they talk about different standards for loading and hauling of hay bales between Ontario and Quebec, and a number of illustrations that are very specific irritants.

But in terms of the flows and growth of the economy, I don't see the kinds of barriers that, if they were adjusted, would represent those kinds of huge numbers in economic gain. I just don't think the problem is that major. And those who are presenting the case for this really haven't provided very convincing evidence by the examples they use. I mean I'm not sure that I've read all the literature, but I've read quite a bit of it on both sides. And it doesn't strike me that there is a major problem that is hindering the development of the economy.

I mean there are other issues that this can't do much about, such as some labour skill shortages that exist across the country because of economic growth. But I don't think the issues that have been addressed as barriers for TILMA represent that kind of large impact.

Mr. Chisholm: — Thank you.

The Chair: — Mr. Iwanchuk.

Mr. Iwanchuk: — Yes, thank you.

The Chair: — I would just mention, and I should have with Mr. Chisholm, that some of our voices are a little lower. The presenters thought if we spoke into the microphones it might help. This is a recording Hansard device. So if members would just speak up a little bit for the presenters, so they're able to hear clearly, that would be appreciated.

Mr. Iwanchuk: — Okay. Thank you very much. I was interested in the proposal around the second-hand smoke. It was an interesting sort of a actual occurrence. In TILMA under article 5 and 7, it talks about establishing new standards or regulations. And I know you indicated here that there was the right to obviously sue Moose Jaw or the city. And I would just like you to comment generally on this because also under article 7, transparency, where the parties have to notify the other party of any intention to do this.

Now I don't know if you've ever sort of addressed your mind to that part. That's what I was thinking as you were talking about

because you immediately went that they could sue this. But there was another step in there that would the city council at that time, would they have had to contact — I'm not sure who — the other party if they were under this and advise them of the changes? Is that something that you can foresee we'd have to be getting into or is it you don't read that into this? I'm sorry for asking to do this, but, you know, I guess we're . . .

Mr. Mitchell: — Well I'm not sure what you're saying on that. You know, obviously there is a challenge and a chilling effect on new ventures that are going to be interpreted as trade barriers. And you're asking if under TILMA this would be part of the process of local legislation?

Mr. Iwanchuk: — Absolutely. If any of your research . . . because you went straight to that could easily be sued, you know, could easily have sued the city. And I was wondering over and above that, while you were doing that, whether you considered that this would be what — maybe you haven't; maybe that's an unfair question — but whether you've had a chance to look at whether you would have had to fall under article 7 which talks about notifying the other party and, you know . . .

Mr. Mitchell: — Well I think the independence for municipalities to take actions of that sort would be restricted. There might be a process of appealing for exemption or whatever, to write in exemptions beyond the ones that are part of the original Act. I think that would be very difficult to exempt municipalities that were applying measures that were beyond the standards established within the TILMA region.

I mean I'm not sure what that process would be exactly, but this is the question raised by the city of Saskatoon and that I was applying retroactively to what might have happened in Moose Jaw that TILMA would have been a challenge for a municipality to move forward on a bylaw in which local commercial interests could claim a discriminatory impact, an effect on their trade. And therefore they could make a challenge under the provisions of the \$5 million cap on restrictions on investment. Because certainly that was . . . And they were, and quite legitimately, claiming they were going to face some losses on this because there was a wider social good being applied that they were taking some impact for. So I'm quite sure it would have been a test issue under TILMA.

Mr. Iwanchuk: — Okay. Yes, thank you. I think that . . .

The Chair: — Is this a follow-up to Mr. Iwanchuk's question or would you like on the speaking order, Mr. Weekes? All right. Ms. Crofford.

Ms. Crofford: — Okay. I think you're probably the best group we've had so far to ask this question of. My focus here is on the impact on democratically elected governments, and I thought you raised an interesting point about the balance of viewpoints across Canada when you're negotiating a deal that affects all Canadians.

My question is, do you know of any research anybody has done linking — if we would call it — a democratic index to the level of democracy in a country related to the sharing of the benefits of GDP growth amongst its citizens? Because I mean, I'm

developing a bit of a notion here that reduced democracy or democracy in the interests of trade does not necessarily benefit.

Mr. Mitchell: — Yes, right. Well it relates to the point I made about the impact of globalization being to widen the disparities between rich and poor. So in a country that has had more extensive deregulation and opening up of markets and privatizing of their sector — like Argentina, for example — the disparity of impact between rich and poor is very broad. So I think, yes, the benefits that might come even if these figures are accurate — which I don't accept — would not be well or evenly distributed amongst the population, whereas the loss of regulation has an impact on lower-income people that are supported by those regulations.

Ms. Crofford: — What I'm really looking for is if you know of any studies on that. And I'm not expecting you to be my research officer. But you know, if you do know of any, if you forward along to the committee that would be helpful. I just thought because of the kind of work the council does there might be someone in your network . . .

Mr. Mitchell: — I think there probably are but I can't name them off the top . . .

Ms. Crofford: — Time for an email.

Mr. Mitchell: — Yes.

Ms. Crofford: — Thanks.

Mr. Mitchell: — I'll check that.

The Chair: — I have two comments to make. If you do speak into your microphones, there is amplification in the room, and that would be very helpful to the people who are listening and to the presenters. And the second one, as we're asking those types of questions, committee does have a researcher whose eyes light up and he begins to search. So we have that available to us as well. On the speaking order, Mr. Weekes.

Mr. Weekes: — Thank you, Madam Chair.

Welcome. Thank you for your presentation. You stated a number of things in your presentation. One of the areas . . . Well I'm going to highlight the ones from our research and from the information we have in front of us. I would just ask you to comment because a number of things concerning . . . Well to quote from your presentation, "this agreement extends to municipalities, school boards and other publicly funded and operated entities."

It's quite clear in the agreement that those items are not in the agreement or under negotiation for the next two years. And also concerning a wider range of areas as I brought this up before part V, exceptions of the agreement, general exceptions:

1. f) Social policy, including labour standards and codes, minimum wages, employment insurance, social assistance benefits and worker's compensation [are exempt.]

There are similar exceptions for Crowns and other items that are specifically laid out in the agreement.

But my specific question is to your presentation. You said any public entity can be fined up to \$5 million with no legal recourse or legislative protection. It's my understanding that that it would be the province that would be fined, and that would be a maximum of up to \$5 million after, after all deliberation and all the other recourses have been satisfied or not satisfied, I guess. I believe that's, that is not correct to say that any public entity could be, could be fined. It would be restricted to the province that's not living up to the agreement.

Mr. Mitchell: — Well I don't agree with that interpretation. I did say up to 5 million. I mean that's, there's a cap but you could have more than one challenger to an existing barrier, trade barrier. But in terms of whether municipalities are and other public bodies are included, it's quite explicit, and Gary Mar in his speeches underlines this — TILMA:

The TILMA will apply to virtually [this is Gary Mar speaking to the Edmonton Chamber of Commerce] will apply to virtually all areas of our economies. And already, we are working to include public sectors, like: municipalities, school boards, publicly funded academia, health and social services, and Crown Corporations.

Now as you point out, it's transitional over two years. Like they're doing this in stages, and they're looking at standardizing in BC and Alberta the municipal area of jurisdiction. And so at that point they're going to be engaging municipalities to work that through, but it's a process in transition. The objectives over two years are quite clear, to include all levels of public administration and governance. And it's a point of boast, I guess you could say, for Gary Mar, and he's very keen on the project. And one almost in the league of cowboy poetry he, in his speech to I think it was Lethbridge or Calgary Chamber of Commerce, he said some people are hesitant or cautious about opening the door to free trade. He said we've not only opened the door; we've blown it off the hinges.

So this is a full-scale, a full-press measure that is being approached in stages. And clearly I don't think there's any dispute that municipalities, school boards, and other publicly funded agencies are part of it, are part of the package. So it's just a question of timing. And if I had suggested that they were . . . I mean obviously it's happening in stages in BC and Alberta, so they're in the process of engaging municipalities. Here hopefully we won't reach that stage but . . .

The Chair: — Our time is quickly moving, and I know to that question, Lorne wanted to do a response as well.

Mr. Holmberg: — If I may I'd just like to quote from Steven Shrybman of Sack, Goldblatt and Mitchell, a law firm that wrote an opinion for the Ontario Federation of Labour.

To ensure that government and public institutions comply, TILMA incorporates the most pernicious feature of NAFTA, which accords private parties the right to invoke arbitration to challenge measures that are alleged to offend TILMA constraints, including the right to claim up to \$5,000,000 in damages arising from each such government measure. Because private claims may be unilaterally asserted by countless individuals and corporations, they are likely to proliferate and exert enormous pressure on

governments to abandon or weaken a broad and diverse array of public policies, laws, practices, and programs.

The Chair: — Mr. Weekes, you have the last question, and then I'll call the time on this presentation.

Mr. Weekes: — Thank you. Just a follow-up. I think the point that is being missed here, that this agreement is to reduce barriers to trade and investment and labour mobility. So if after the negotiation phase certain things are going to be included with respect to municipalities, it's not restricting the municipalities in doing their business or educational institutions or school boards or whatever that list is. It's only dealing with barriers for trade and investment and labour mobility. So I think there's a lot of exaggeration and fearmongering going on that we've heard.

The Chair: — I think that you're getting now into the debate area again. We thank you for your presentation. I do have to call time. We have a large agenda before us, and I know the time moves quickly for closing comment, and may we ask the next presenters to come forward.

Mr. Mitchell: — Okay. Well I appreciate the focus shifting to municipalities, and I think the framing of the issues from Saskatoon on these very points is quite instructive, and I'll hope you'll be hearing from them.

But I also want to again express our thanks to the committee. And I hope through this discussion that there will be listening on all sides and that you can actually come up with a bipartisan solution and agreement that this would not serve the interests of our province. Certainly there's a lot of questions left there that need more research and analysis. Thank you.

The Chair: — Thank you very much to everyone and we wish you safe journey back to Moose Jaw. We thank you for your time and commitment to the issue.

**Presenter: International Brotherhood of Electrical Workers
Local #2067**

The Chair: — Our next presenters will be the International Brotherhood of Electrical Workers Local 2067, Ron Hitchcock, assistant business manager, and Garth Ormiston who is also assistant business manager for the organization. So if you would come forward.

Directly in front of me, I see Mr. Hitchcock and beside him would be Garth Ormiston. We have about 15 or 20 minutes for your presentation, and then we open to questions from the committee, and we thank you for coming before the committee today. If you'd like to begin.

Mr. Hitchcock: — Thank you very much. I appreciate the opportunity to speak to you on behalf of my local and the employees of SaskPower. I have a written presentation that I handed out. I don't intend on reading that. I have a summary of that which I intend to deal with, so.

SaskPower . . . and more importantly I'm not a trade expert nor an economist. I'm focusing on the issues that would happen with SaskPower, the employees of SaskPower, and the people

of this province if TILMA was signed.

SaskPower is a Crown corporation, as you know, which has public investment, public employment, public revenues, and public accountability. And along with that is public goods and services which is a big part of SaskPower. In 1983 they developed this program for allowing local suppliers to provide goods and services to SaskPower, and since 1983, they have put \$5.1 billion into the province.

There are companies that are located in Saskatchewan because of their dealings with SaskPower, which have created jobs, which have moved families to this province. One for example is Hitachi who is in Saskatoon. They make gas turbines and wind generators for SaskPower. Nexans in Weyburn — Nexans Canada Inc. — they make cable, make wire that's hanging on the poles around the province. They just signed a \$90 million deal with SaskPower to provide cable. Babcock Wilcox is located in Melville. They make tubes for boilers, which we use in our coal-fired power plants in Estevan and Coronach. And Partner Technologies makes transformers and various other electronic equipment for SaskPower. And last, Phillips Cable which provided hundreds of miles of underground cable for our rug which services the rural communities.

The Agreement on Internal Trade, which now TILMA is complementing that, in the fact they have thresholds for goods and services. They went from 25,000 to 10,000 under TILMA. Services went from \$100,000 to 75,000. So now that would affect all those businesses — those 5,000 local suppliers in this province — not . . . Pardon me. Not all of them but those that fall above those thresholds, which means then that their business would be open to tender to people from outside this province, outside this country. So what would that do for their business for jobs in this province and for their families?

Lastly on this topic of procurement, Alberta has less taxes in certain areas. So then how can you have a level playing field for business in this province when our taxes may be higher? And to quote Oliver Wendell Holmes, one of the necessities of a civilized society is paying taxes.

Next I want to touch on labour mobility. SaskPower has Red Seal tradesmen, and we have technologists and engineers who are professionals. The Red Seal program is recognized across Canada. The accreditation for technologists is recognized across Canada. Our union is an international union which affords our members to work anywhere in North America. All they need is a work visa. And to that, our linemen are sought after all across the States because they are well trained and well recognized as being very good at their jobs.

The problem that labour would have with this is harmonizing of standards. Harmonizing labour standards, occupational health and safety regulations, and of course The Trade Union Act which is far different than in the province to our left here so . . . As far as what SaskPower does is make energy, sell energy, and I'm sure you may be aware that government regulations restrict investment. And that's a good thing. We need occupational health and safety regulations. We need safe work environments. We need laws where employees are not harassed on the job by their employer; where they're paid a decent salary.

TILMA would deregulate SaskPower and as a result would be the end of the Crown corporation. And how I surmise that from the TILMA agreement is the article no. 3, no obstacles. And I'll just read this to you: "Each Party shall ensure that its measures do not operate to restrict or impair trade between or through the territory of the Parties . . ."

So now one of the key things of TILMA as well is that if SaskPower was to . . . oh pardon me. If the government was to sign this, you can't negotiate what you want for conditions which would be exemptions. You have to join first and then negotiate. So it's take it as it is or leave it, which is not a good thing in my opinion.

Lastly I want to talk on democracy. I want to talk to you on this — the dispute resolution process — where you as an elected government make laws and Acts which can be overturned by some panel and becomes law. That isn't democracy. Those decisions . . . You're the ones that are elected to make decisions on behalf of the people of this province, and this agreement would not do that. It would not allow that. And to boot, anyone who makes a claim on this agreement could be awarded up to \$5 million per person and yes, they sue the government. SaskPower is a Crown; that's part of the government, right? So all these suppliers that provide goods and services for SaskPower and those who want to do that could be making a claim against SaskPower and the government.

So I would suggest that TILMA should not be signed. It would be the end of low power rates. It's the end of jobs, end of businesses, end of families in this province. They would have to leave if they don't have work. It would be the end of SaskPower as a Crown corporation.

The Chair: — Thank you very much for your presentation. Ms. Crofford.

Ms. Crofford: — Okay. I'm just going to examine a couple of the premises of your paper, and I applaud your brevity. You've captured a lot of thoughts in a small amount of space. I'm going to ask about your supplier development program as it affects the province because we see a lot of our communities like Weyburn and Melville, Moose Jaw. Can you tell me a little more about if you had a different policy than your supplier development program, or even if you have some examples of where these contracts might not have gone to these local suppliers otherwise?

Mr. Hitchcock: — Well SaskPower has a quality assurance program, so they work with local companies to develop their research and development techniques to streamline costs, and those are passed on to SaskPower. Now there's the companies that I mentioned came to Saskatchewan because we built some power plants. We have a need for better service than bidding around the country. You know, for example boiler tubes quite often — and that's a company in Melville — quite often there's a tube leak. So a 300 megawatt unit is downed because of a tube leak, so we need those tubes. And we have a supplier that meets our specifications and meets our demand, and what could be better than that?

So as opposed to that, some international company or some company to the left would be bidding on those jobs, and we

don't know about delays. We've negotiated costs, you know. Those could be reflected in other tenders.

Ms. Crofford: — So some of these companies have actually developed as a result of your tendering approach?

Mr. Hitchcock: — Right.

Ms. Crofford: — Okay. So it wasn't like they were there, and they bid on it. They've actually developed as a result of it.

Mr. Hitchcock: — Correct. As an example, when I worked in one area that there was a manufacturing problem with some bonding two different metals, and they didn't know how to do that. So rather than go to someone else, the research and development department taught them how to do this, and they've been successful for 25 years doing that. So . . .

Ms. Crofford: — So you actually worked with them in their development?

Mr. Hitchcock: — Yes.

Ms. Crofford: — Okay. It wasn't just, send me your letter, and I'll decide whether we'd pick you. It was more of a relationship.

Mr. Hitchcock: — Right. Someone down the street.

Ms. Crofford: — Okay. The other question which has interested us I think quite a bit in this committee seeing as we're searching for facts — and it's kind of a slippery beast — but the Red Seal program seems to be one of those programs that is a much more specific example of an area where we've already made a lot of progress in Canada on standards. And we've talked a lot about mobility to meet the needs of employers, but what I want to ask about now is mobility that meets the needs of employees. And does the Red Seal program work in the best interests of employees to allow them mobility for employment across Canada?

Mr. Hitchcock: — It does provide the same standards across the country. And where the problem is, if you want to talk about labour mobility, is not the fact that there is a shortage of skilled workers. There's companies that don't want to train new apprentices to become skilled workers.

Ms. Crofford: — So for example someone who wasn't Red Seal and maybe only knew how to do one thing, they would not necessarily be as mobile because they didn't have a range of skills to offer into the marketplace.

Mr. Hitchcock: — Right.

Mr. Ormiston: — I think what the Red Seal provides is a national standard. There is some jurisdictions over the years have developed tradespeople, and they've, I would say, buttonholed them into doing this certain job or this certain job. You know, you've got a lineman that can build construction. You've got a lineman that can work hot, but you don't have a lineman that can do both. And with the Red Seal program, the standards are set out, and you've got a more well-rounded tradesperson. Electrically, for electricians, journeymen lineman, mechanics, whatever that can do more varied . . .

Ms. Crofford: — I'm going to restate my question because what I'm trying to get at here is it's good to have an agreement that's good for trade, but we'd like it to also be good for the people who work in those trades. So would the person who's got the broader qualification be more mobile in the labour market?

Mr. Ormiston: — Yes. In my opinion, yes. And it . . . I guess to me the Red Seal provides a standard for training, not a watered down or a race to the bottom in qualifications or training.

Ms. Crofford: — Okay. Thank you.

The Chair: — Mr. Weekes.

Mr. Weekes: — Thank you. Thank you for your presentation. My question and comments revolve around your basic premise. First of all, SaskPower is a monopoly. Under the agreement monopolies are exempt. So given that, I don't see any concerns with SaskPower with your position on that. But given that reality, you stated that changing a well-established working relationship because of TILMA would result in cost increases for future goods and services, cost increases to our power bills. These cost increases would be passed on to the customer. Do you have any research or analysis you could provide the committee backing up that statement?

Mr. Hitchcock: — Well it's . . . No, I don't. It's a matter if things cost more, then who pays for it, right? So either it comes out of the profit of the corporation or it's passed on when the rate review commission reviews your power rates.

And to your first comment there, I don't see anywhere in the TILMA agreement where it says Crowns are exempt. It doesn't mention Crowns at all.

Mr. Weekes: — No. Crowns . . . Monopolies are exempt, Crowns that are monopoly.

Mr. Hitchcock: — But the trump card in this whole thing is article no. 3, no obstacles.

Mr. Weekes: — On another item, you state a harmonizing labour standards, Occupational Health Safety Regulations and Trade Union Act would be adversely affecting labour in the province. Again I point to the agreement, part V, general exemptions:

1. f) Social policy, including labour standards and codes, minimum wages, employment insurance, social assistance benefits and worker's compensation.

Exempt. Again I don't see why you have those concerns. It's explicitly put in the agreement that those things are protected, that are exempt. Could you elaborate on your fears?

Mr. Hitchcock: — Unless they would apply to barriers and then it also says in that article that you otherwise have to reconcile existing restrictive regulations.

Mr. Weekes: — Well I quote from the agreement.

Mr. Hitchcock: — And I am as well, so. What about, for example, any new standards? When the proclamation is made on regards to harassment in the workplace, now if and when that is proclaimed, is that going to adversely affect people in Alberta because they don't have those standards? So now that's a barrier to them because . . .

Mr. Chisholm: — Does it affect trade labour mobility?

Mr. Weekes: — Thank you. This brings up another common theme that has come up about the race to the bottom in regulations, and I just point out a few examples that's in the agreement. We're not . . . It's not a race to the bottom for standards. It's actually . . . Every example I've seen, it's if one province has a lower set of standards than the other, they have to go up to the highest level.

Just as a couple of examples — I won't go on for long, not necessarily related to your industry, but I'll just point out a few things. Acupuncturist, "British Columbia: may require additional examination or training." Crane and hoist equipment operator, "Alberta: examination for individuals who have not completed an apprenticeship." Again I mean that's to ensure that their standards, their training is at a higher level. Dental assistant, "Alberta: must pass the National Dental Assisting Examining Board Exam." And just one more if I may, Madam Speaker, gasfitter B British Columbia and level 2 gasfitter Alberta. Alberta recognizes Red Seal in plumbing or pipefitting as qualified to work as a level 2 gasfitter.

Again it's always raising the standard, not lowering it. So I just would like you to comment on that and give me examples where it's the reverse. Show me where in this agreement that the standards would be lowered rather than raised.

Mr. Hitchcock: — Well I'm not assuming that all our standards are higher than Alberta's or BC's. What I'm saying is if there's a standard that causes economic harm in terms of investment, then whether it's in labour standards or not that would be an issue under this agreement. And as far as Red Seal of those various jobs, you may not be aware, in BC they split up electricians into house wirers, industrial electricians. And yes they are Red Seal; however in this province we have, we have . . . electrician is Red Seal. SaskPower doesn't hire someone that's wired a house, that's only done that. That's too narrow of a scope. And that's not the intent of the Red Seal program.

Mr. Iwanchuk: — Madam Chair, just a point here.

The Chair: — Is that a follow-up to Mr. Weekes for clarification?

Mr. Iwanchuk: — Yes it is.

The Chair: — Mr. Iwanchuk.

Mr. Iwanchuk: — There has been a statement made here that in fact these are — if I understood what Mr. Weekes was trying to say — that this is where the adjustments would be made, that if the one was higher they would go up. I think in the reading of this section, under labour mobility, part VI, it says:

With the exceptions of Article 9 and Articles 13(4),(5) . . .

[the important part here is] . . . do not apply to the following measures until such time as the Parties agreed pursuant efforts under Article 13(6).

So what it basically to me is saying that these do not apply until parties agree pursuant to efforts under 13(6). 13(6) says, "Parties shall work to reconcile any measures listed in Part VI pursuant to paragraphs 4 and 5 and increase the consistency with Part II."

Now "Parties shall work to reconcile" does not mean that that is what is going to be. So I take exception that Mr. Weekes would be questioning the presenters and interpreting this Act, and saying this is what is happening and then asking the question. I think at least my reading of that is in fact that that is up to the parties to reconcile. These are simply an indication of what is different.

And I, you know, I take exception to that, that we would have interpretations here which I don't agree with. And I think on the face of it that's really stretching it to say that this is the agreement here already. I beg to differ.

The Chair: — Okay . . .

Mr. Weekes: — Just a quick . . . [inaudible] . . . I don't disagree with what you said, but these are the items that they are going to reconcile. That's part of the agreement. They're going to reconcile these two. And the point I'm making, at every example — you can read, I think, every one — they're going to reconcile these to the higher level, not to the lower level.

Mr. Iwanchuk: — Based on what?

Ms. Crofford: — Based on what? That's just saying what exists.

Mr. Weekes: — Just read the text.

The Chair: — We will look at that, and that's a matter of interpretation and now getting into a matter of debate. So we'll go forward on the speaking order. Mr. Yates.

Hon. Mr. Yates: — Thank you very much, Madam Chair. I have a number of questions, but I want to start with a couple of technical questions. My understanding of SaskPower, as it operates in the province of Saskatchewan, is that it is not a monopoly, that in fact there are utilities in the cities of Swift Current and Saskatoon that operate electrical or power distribution systems so that SaskPower does not have in essence a monopoly within the province of Saskatchewan for the distribution of power. Is that . . .

Mr. Hitchcock: — That's correct.

Mr. Ormiston: — We currently do not generate all of our electrical needs through SaskPower, all right. They've got some power purchase agreements, right.

Hon. Mr. Yates: — That really leads to my second question. And this one, unlike the fact that clearly we have more than one utility that distributes power in the province because we have

the two city utilities . . . But in the issue of generation as well, are there not cogeneration projects where SaskPower's not the sole owner and entity and as such then that they're not a monopoly because they are buying power from other cogeneration projects?

Mr. Ormiston: — Yes, currently there's Cory potash. There's the Meridian at Lloyd. There's some smaller units online that are connected to the grid as well.

Hon. Mr. Yates: — So it raises the issue then under what protections SaskPower would actually have.

My next question goes to a technical one. And I happened to be in a meeting this weekend with one of the senior officials with SaskPower about a generation issue. And it says under article 15 that:

Parties shall ensure that their standards-related electricity measures are not incompatible with generally accepted and applicable North American standards or standards of the Western Interconnection Region, including those relating to energy system security and reliability.

My understanding is that we're not part of the western interconnection region. We're actually part of the midwest interconnection region.

Mr. Ormiston: — We're part of the eastern interconnection. We're not part of the western. The North American Electric Reliability Council is split into west and east. We're part of the east. We're tied through Manitoba down east and then . . .

Hon. Mr. Yates: — And then through the mid-west United States as I understand it.

Mr. Ormiston: — Yes. Yes there's a split: Alberta-California. There's like ten different subgroups of NERC [North American Electric Reliability Council]. We are tied to Alberta, but it's through a back-to-back converter. That's the only connection between the east and the west. It's gets into a little technical.

Hon. Mr. Yates: — But for regulatory purposes today Alberta and British Columbia would be in the same interconnect region.

Mr. Ormiston: — Yes.

Hon. Mr. Yates: — We would be in a separate interconnect region, and the rules and standards between those interconnect regions are not the same, as I understand it?

Mr. Ormiston: — No, they're not the same. They do have some basic . . . Well they have some differences. There is some differences between the operating standards between the east and the west, but yes they do have some operating differences.

Hon. Mr. Yates: — Would you have any idea what the potential cost to SaskPower and to the taxpayers of Saskatchewan would be to meet the standards of the western interconnection?

Mr. Ormiston: — Well I really couldn't put a number on it. Physically we can't be part of the western interconnection.

Electrically it's impossible. Like to do . . . Without doing like the back-to-back, you can't be part of the western and you start getting into phase shift differences and stuff like that. There's a physical impossibility.

As to put a price on it? I don't know.

Hon. Mr. Yates: — It's not a matter as I understand what's before us of actually becoming part of it. It's a meeting the same standards as that connection. And I understand that the western interconnect has greater security standards and by nature it's smaller and to have those same standards would be very expensive.

Mr. Ormiston: — Yes, I would say with being connected to California and through that Bonneville Power Authority and all that, they would have some differences. I would be hard-pressed to put a number on it. But there would definitely be a number; there's no doubt.

Hon. Mr. Yates: — Okay, thank you very much. My next question is more of a philosophical question to some degree that I've asked all presenters. And it has to do with the issues of trade agreements in Canada — Canada being a single country, the approach of whether a trade agreement should be pan-Canadian or Canada-wide versus regional in nature.

There is now before us discussion between two provinces, Alberta and British Columbia, on forming the trade agreement. There have been speculations that perhaps Quebec and Ontario are also looking, would like to enter into a regional trade agreement. Would it be your opinion the approach to the trade agreements as they exist should be regional or in fact Canada-wide?

Mr. Mitchell: — This all started with one of the trade agreements, the Agreement on Internal Trade which is between the provinces. This TILMA is a complement to that and the difference between TILMA and the AIT is the fact they have a dispute resolution process which is NAFTA-like which . . . However NAFTA requires specific reasons why you're laying a claim of some injustice. TILMA, doesn't matter. Anyone, any individual, any corporation could lay a claim.

As far as trade agreements between provinces, I don't think that's an issue; I don't think that's a problem. However when you have something like TILMA which takes away your democratic rights, it is a problem. And as far as I'm concerned, no government has a right to sign that.

Hon. Mr. Yates: — Thank you very much. That's all my questions.

The Deputy Chair: — Mr. Chisholm.

Mr. Chisholm: — Yes, I'd like to get back just for a moment to the procurement issue that you raise. Do you know what the SaskPower's . . . We know what the AIT limits were. Is that the limits which SaskPower was working within regarding purchasing of goods and services and, or goods and services and construction? Or like what we found out is that many organizations, their actual procurement policies are, they themselves had lowered the thresholds at which they requested

things be tendered and that type of thing. So I'm just wondering if you know what SaskPower's, what they were operating under as far as thresholds before purchases were made.

Mr. Hitchcock: — No I don't know the answer to that.

Mr. Chisholm: — Okay.

Mr. Hitchcock: — But I do know there's something like 5,000 different suppliers of all different levels of goods and services they provide. So I would say that it's some are very much above that and some are, a few are below, so.

Mr. Chisholm: — Okay. You're probably aware that the agreement does contain the wording "legitimate objectives" which to me would . . . Some of your associations with suppliers would possibly be covered under that and also because they may be the only supplier that can provide exactly what it is that you want. And that's I mean, I got that indication that some of this is pretty specified stuff for your purposes. And so when you are tendering, if the tendering documents indicate exactly what it is you want, I'm not sure that there would be challenges by other suppliers if it's a specific product that's coming from a joint project between you and a supplier.

Mr. Hitchcock: — There are cases when they offer tenders outside the province. However they encourage those suppliers to work with the suppliers in Saskatchewan as well, so to be part of the project, okay. And any dispute that someone may have is determined by an independent panel, not by our legal system, not by a court, you know. So therein lies the problem.

So if some outside company wasn't offered the tender and they lay a claim against SaskPower and the government, then some independent panel will decide and be awarded up to \$5 million, and that's where I have a problem and others do as well, I'm sure.

Mr. Chisholm: — Thank you.

The Chair: — Mr. Ormiston.

Mr. Ormiston: — Reading article 15, section 2, and I know you've read it: "Parties shall work toward improving existing arrangements and promote enhanced inter-jurisdictional trade in energy." And I guess one of the questions that leaps to my mind, does that remove our ability as a province to develop our own generation as we have done or does that impose on us that we have to buy our energy from other jurisdictions?

I know it's a bit of a philosophical thing but I think if you look what we've done in the province, the technology we've developed to burn our lignite coal and the jobs in the coalfields and the power plants around that, I think that's something we wouldn't want to give up. There's a lot of employment surrounding that and as Ron said, purchase agreements to supply some of that equipment as well.

The Chair: — Well there has been more than one philosophical slip showing this morning. Mr. Weekes reassures me that he has a question rather than a debate or argument, so we'll see.

Mr. Weekes: — We'll see. A comment but I don't think it will

be under dispute. The process here is, I mean we're taking representation from all groups that want to and individuals. We are meeting with the BC and Alberta officials who have negotiated TILMA. And I would just like to put on the record that we need to ask that question about the definition of monopolies and the point you just raised because I think that's pretty fundamental to making a decision on where we stand in those areas. But thank you very much for your presentation.

The Chair: — Leaving the morning on quite a note. We thank you very much for your presentation to us and for the responses to the questions posed to you by committee and wish you well in future deliberations. Thank you.

This committee is adjourned until 1:30 p.m. I would remind committee members that APAS [Agricultural Producers Association of Saskatchewan] will be here and ready to present at 1:30, if we could accommodate that as we do have a full agenda. Again, thank you very much for your appearance here today.

[The committee recessed for a period of time.]

**Presenter: Agricultural Producers Association
of Saskatchewan**

The Chair: — Okay. Welcome back, committee. We have a full afternoon of work ahead of us and we have presenters who are here on behalf of the Agricultural Producers Association of Saskatchewan. I ask them to come forward to the table. Have you got the complete list of names?

All right. Glenn Blakley is the president. So if Glenn, you'd give a wave to our committee members. Kerry Holderness, vice-president. Aaron Strauss is a director and Jim Thorson, director.

We've outlined to all of the presenters that our agenda has been very full and we appreciate all of the information provided to us, but we try to stay to our time frame because of the numbers of people who will also present. So we've got about 15 or 20 minutes for you to give an overview and your presentation, and then we'd open up for questions from committee. And we thank you for your efforts to get here and to present to us.

Mr. Blakley: — Well thank you, Madam Chairman, for the opportunity to make this presentation on behalf of the Agricultural Producers Association of Saskatchewan.

In our introduction, we give a bit of an overview of the Agricultural Producers Association of Saskatchewan Inc. as a general farm organization that was formed to provide farmers with a democratically elected, grassroots, non-partisan producer organization. APAS serves as a voice of agriculture in Saskatchewan. APAS envisions a future for agriculture as profitable, rural communities are viable, and the role of agriculture in society is recognized and appreciated. As such APAS, through its representative structure, represents the perspective and well-being of the Saskatchewan producers.

Saskatchewan agricultural producers operate businesses that are important contributors to the economy, economic foundation of Saskatchewan and the Canadian economies. It is estimated that

the agri-food industry in Saskatchewan provides approximately 40 per cent of the jobs in the Saskatchewan economy.

Saskatchewan's real GDP was estimated April 25, 2007 by Stats Canada to be 34.3 billion in 2006. In the latest decade, from 1996 to 2006, Saskatchewan's real GDP grew on an average of 2 per cent annually. Over the '96 to 2006 period, Saskatchewan's real GDP per capita increased by an average annual rate of 2.4 per cent. And Saskatchewan's productivity, the real GDP per employed person, was fourth highest amongst the 10 provinces at 1.3 per cent per year.

Saskatchewan's trade and transportation of goods through the Pacific gateway, of 2004, was 2.9 billion in exports to the US flowed through the BC; 521 million of Saskatchewan's exports to other countries flowed through British Columbia also. Saskatchewan's Agriculture and Food statistics fact sheet of January 2007 reported the total agriculture exported — \$3.7 billion.

In general the agriculture industry benefits all Canadians by providing consumers with safe, affordable food, a clean, sustainable environment, employment, and added value to the business and industry sectors.

Throughout its history the success of Canadian agriculture has been dependent upon the availability of viable export and domestic markets for its products. As the representative of Saskatchewan agriculture producers, APAS has a significant interest in trade liberalization to facilitate the increased demand for agriculture products through the interprovincial and international agreements. Saskatchewan and Canada need to be profitable in the marketplace.

Some background information. Theoretically in cases for greater regional co-operation among the four Western provinces ... has been proposed in favour of increasing co-operation among legislators rather than unification. Several advantages of co-operation have been identified in the gains for practical interprovincial collaboration — specifically political strength through numbers within the federal system; economic efficiency gains from the free mobility of labour and capital across borders; improved international competitiveness; increased market size for provincially based producers; and reduction in costs. Also better quality of public programs and a better management of policy issues that cross border, provincial boundaries.

The market and the industry impact benefits for Saskatchewan agriculture can be realized by facilitating communications and efforts to share information, to harmonize policies for the regulation and inspection, and to allow for freer movements of agriculture products and livestock across the provincial borders of Alberta and BC.

As stated in the Conference Board of Canada assessment paper for the Saskatchewan government on TILMA, more liberalized trade conditions would help to increase sales in agriculture and manufacturing primary industry, reduce their costs, and stimulate further business development. Benefits occurring to the transportation and the retail and wholesale trade sectors would be the main drivers of gains in the service sector as a result of the improved trade flow.

You'll have to excuse me. I have a little bit of a cold this . . . bad time of year.

More standardized regulation in turn would lead to reduced costs for producers. For example, shipping of agriculture goods would be easier to arrange and less costly, therefore encouraging business investment growth in the province. The elimination of trade impediments would also lead to greater market access that would only stimulate business established in agriculture but also create spillover effects into other industries such as food and manufacturing and transportation.

In related issues in economics and environment, there currently exist many crop insurance inequities between the Western provinces, for example the wildlife crop damage compensation. The 2006 rates for barley were set at \$1.48 a bushel where in Manitoba . . . That was in Saskatchewan. The rate in Manitoba was set at two oh seven. And so the inequities are very relevant there.

These are federal and provincial agreements that are in place for wildlife damage compensation which begs the question, why is Saskatchewan compensation so much lower than Manitoba? The advantage that TILMA can offer is a mechanism to address program inequities between producers in neighbouring provinces.

In plant facilities, the Canadian Food Inspection Agency regulations are mandatory in every province in Canada. Packing and slaughter plant operations must meet the provincial and federal regulations in order to maintain standards and meet the CFIA [Canadian Food Inspection Agency] requirements for the export of products. Under the existing regulations a plant can be certified for provincial standards but not meet federal standards for export.

Under TILMA this problem of meeting export requirements could be harmonized, therefore reducing the costs of production and strengthening of the slaughter plant industry for Western provinces. And for the agriculture producers this would provide a potential saving that could increase the economic return to all sectors of the livestock industry.

And brand inspection is required for the sale of cattle in the Western provinces. The rate paid by agriculture producers on the sale of cattle is levied on a per head basis. TILMA would have the ability to ensure that the costs associated with each sale transaction would be equitable for all producers and have the potential to lower the costs of production.

In carbon trading, Alberta is now developing a carbon credit trading system. This system is limited to access by its Alberta producers and large final emitters. The structure of TILMA could benefit agriculture producers and emitters in Saskatchewan with a marketing mechanism, a price discovery tool that would encourage producers to increase the sequestration of CO₂ on the agricultural landscape.

In conclusion, the implementation of TILMA has been identified as a positive impact for the province of Saskatchewan in the discussion paper by the Conference Board of Canada dated December 22, 2006. The title is *Assessing the Impact of Saskatchewan joining the BC-Alberta Trade, Investment and*

Labour Mobility Agreement. As a quote:

Once all of the net benefits from joining the trade agreement are realized, Saskatchewan has a potential to add \$291 million to its real GDP and create an additional 4,400 jobs in the province.

The obvious advantages to our economy is growth in GDP and the expansion and the access to export markets, the increased employment opportunities, and the potential for industry development and creating of a more attractive investment climate.

We felt that it was a brief presentation, but we wanted to hit the salient points and offer the committee the opportunity to ask some questions. So thank you very much.

The Chair: — Thank you very much. Ms. Crofford.

Ms. Crofford: — I am so glad to see you guys. I've been asking everybody, do you know what this is going to do to agriculture? And I haven't had anybody so far that's been willing to venture an opinion, so you're our first presenters who have had some specific things to raise.

The first question I have is, I understand that under the dispute resolution mechanism a case would have to be brought in front of a TILMA dispute resolution body who would then rule on the merits of it. Do you have any idea what it would cost to bring a case in this way?

Mr. Blakley: — I guess at this point, Joanne, that there are more questions than answers even for the industry in agriculture. And I guess it would depend on the design of what the mechanism that is in place would actually be. There would definitely be some costs incurred. And the compensation of course would have to take that into consideration if it was found to be an insult in that area.

Ms. Crofford: — Yes. This is something we haven't really gone into much yet is, what type of structures do you need to support this type of a process and what does it cost people to be involved in them? So I'd think that is an area to think about. I noticed you've raised some issues about the things that are higher or lower. Do you think there's a possibility that someone could claim that something like a gas tax exemption was an unfair trade barrier in Saskatchewan?

Mr. Blakley: — Well realistically I suppose there is the potential for that. There again though it boils down to what the actual comparisons are. If our taxes in the first place are significantly higher than the other provinces, well then is that an impediment or not?

Ms. Crofford: — Yes. See I'm not sure what all they consider. That's a question we're having here.

Mr. Blakley: — And we also are spending a lot of time researching and trying to determine exactly what some of these other issues are and we haven't come to the conclusion on all of the facts either.

Ms. Crofford: — The next question and the last question I

have for now — I might think of others — but I sort of see an assumption in the examples put forward that if there was a difference between ourself and another province, that the tendency would go for it to go to the lowest level of requirement. Because see there is a debate about TILMA, about whether this would lower standards across Canada and make it impossible to have regional differences and standards, or to enforce standards if some province somewhere else didn't think that standard was important. Is it your assumption that if there's a situation where there's a higher standard in one province and a lower standard in another that the ruling would be to take it to the lower standard?

Mr. Blakley: — In the agriculture industry that we have been studying under the TILMA, that's a really important question that we haven't actually been able to determine the answer yet for. In agriculture there's an awful lot of exemptions involved in the current model that they're using. And so I would think that in that area there has to be a great deal more study and some input from producers as well as legislators in that area.

Ms. Crofford: — Yes. And I don't know, for example, let's say we've got people who are doing specialty production — either organic or something, specialty beef or exotic animals — I don't know whether they're measured in their own category or whether they're included in a blanket assessment. But anyway those are the kinds of questions we're trying to get a handle on, and I'm just so glad you're here today because the agricultural part was something that I was really hoping we'd hear more about. Thanks.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Thank you, Madam Chair. Just a comment on the brand inspection. We had an example actually cited to us yesterday where somebody had cattle and pasture on the Alberta side and the Saskatchewan side. And just to move those cattle, the brand inspection people had to be called in and the fee on the Alberta side was . . . I don't remember the exact numbers but something like 50 cents a head and on the Saskatchewan side it was like \$1.50.

You know, there's one concrete example that's happening probably every day or certainly every day during the cattle feeding period along the border that that's exactly the kinds of regulations that I think we could get simplified and this agreement would provide that framework to do those kinds of things. So that's just a comment.

The carbon trading system. Is there not some kind of carbon credits available to Saskatchewan producers through some agency? I've read about it. I can't remember the exact name of the company that is actually — green something or . . .

Mr. Blakley: — Yes, C-Green.

Mr. Chisholm: — Okay, right.

Mr. Blakley: — Right now, and I believe there is a couple more also. They're called aggregators and there's a couple more organizations or groups that are trying to qualify to become aggregators in Saskatchewan. The challenge is that C-Green is the only game in town for the last year basically.

The other problem that we have at APAS is that the Chicago Climate Exchange is the only vehicle for price discovery. And some of these people that are signing up, our concern is that they're signing up for a significantly less value than what potentially there is down the road. When you see Alberta talking about \$15 a tonne as a penalty to their emitters, does that not set a value on the carbon that they can buy as offset credits? And we've had some concern and we've expressed that in the past, that the early adopters of these new contracts with C-Green might be significantly disadvantaged if we had a made-in-Canada market available like they're trying to design in Alberta.

Mr. Chisholm: — Right. Good, thank you. Just a general question on labour mobility, and maybe it doesn't apply to agriculture directly because usually if you're trying to get labour in the agriculture field, you have to pretty much take what's — at this point in time — what's available and there isn't . . . But labour mobility within agriculture itself, do you see that as an area where this TILMA agreement could be beneficial for people with specific training in Saskatchewan who want to move to Alberta or vice versa? And some of the programs that are affected — like, I know there's programs that feedlot people take a certain program — and if there's no equivalent in the other province and it might be difficult to be moving back and forth, do you have any comments on that?

Mr. Blakley: — Well other than that agriculture's no different than every other industry right now and labour is an issue, so anything that would increase the availability of skilled tradespeople, whether they be in agriculture or other industries — and it's the other industries that probably affect us more than what we actually directly affect the primary agriculture — if we don't have mechanics and the machinery dealers or the manufacturers in Saskatchewan, that's going to have a negative impact on the primary producer there too. So I think the availability for labour to have a consistent standard to move across should be a benefit.

Mr. Chisholm: — All right. Thank you.

The Chair: — Mr. Weekes.

Mr. Weekes: — Thank you, Madam Chair. Welcome. Thank you for your presentation. Just a couple of points. Crop insurance is something that come up in our discussions and certainly in any federal-provincial agreement. But crop insurance is the one that you have identified. Are you identifying it as something that is in the agreement that would be addressed? Or is it your hope that it would be, as far as levelling the playing field of . . . far as premiums and costs in crop insurance?

Mr. Blakley: — Well our hope is for the producers of the province to be competitive. We have to receive the same regulations and impact on our cost of production as our neighbours. We haven't the ability to do that on the international market.

But when we have the disadvantage between Manitoba and Saskatchewan, and even Alberta and Saskatchewan — in regards, we're using the crop insurance as an example — it increases our cost of production, puts us at a competitive

disadvantage. And therefore we're not as efficient or we don't return as many net dollars to our pocket as what our competitors are and, in that sense, we're not as strong in the marketplace.

Mr. Weekes: — Yes. Thanks. Just another item. You've identified a number of areas where you see barriers to trade. Have you done any work . . . We're going to be meeting with the Saskatchewan truckers' association but I'll just ask you specifically. Have you identified any barrier as far as the hauling of livestock or feed as barriers between Saskatchewan and Alberta and British Columbia?

Mr. Blakley: — We've just started to dig into that issue and we haven't come to a conclusion or got enough information to make a comment on it yet. We are looking at it. But as Joanne mentioned, there's a lot of areas that need to be addressed and looked at and we haven't had the time to get to the transportation one and get a conclusion on it. But I think there is definitely going to be some issues that need to be addressed, positive or negative. We haven't been able to determine that either.

Mr. Weekes: — Well thank you. Yes, it's a short timeline and it's a lot of research. It takes a lot of person power to get the work done but whether in this process of public hearings or after it, I'd appreciate if you could submit to the committee any of your research and your findings concerning barriers. Thank you.

Mr. Blakley: — Thank you very much.

The Chair: — And as Mr. Weekes would mention, if you provide that to committee, that assures that all members will get the information and we would appreciate it. I have Mr. Yates and then Mr. Iwanchuk.

Hon. Mr. Yates: — Thank you very much, Madam Chair. I have a number of questions, I guess, and some of them I don't know whether you'll have the answers. These are questions we may well have to ask of the Alberta, British Columbia officials because this is a complex area. But do you have or have you been able to put together, as Mr. Weekes has mentioned, lists of those issues that you perceive or see as barriers between doing business in Saskatchewan, Alberta, and British Columbia in the agricultural sector? That'd be very helpful for us to have a good sense of that as we go into our discussions with the officials.

And the other major area I'd like to look at, if you could provide a list of things you'd see as subsidies or programs that might be or could be potentially challenged or considered under TILMA, so that we know we have the right questions to know what to ask of officials when they're, when they're here before us. Because the agricultural sector in Saskatchewan, you know, affects . . . Ultimately we're all no more than a generation from the farm and it affects relatives, family members, friends. So this is an area where we do need to spend some, some real time getting an understanding of the impacts, potential impacts.

Secondly, if you could, when you're thinking about this, put together a list for us or point out areas where just other concerns you have with the agreement I guess, you know, that you'd like us to explore. Because I know you're looking at things, but at the same time we can, you know, act as a mechanism to ask

some of those questions or fact find on behalf of what, you know, you'd like to be able to share with your constituents and members because to some degree what we're finding, the further and further we get into this, that this is far more complex. And although we all have opinions on what things mean, we need to spend more and more time understanding what things actually do mean. More facts, less opinion, I guess.

And so if you could help us formulate in our minds what we need to fully understand about the agricultural area as we go through those because we have not had very significant presentations from the agricultural community during these hearings, and we won't have, to my knowledge, any further input from the agricultural community during these hearings. So we need you to be as helpful as you can. Many of us also can draw from our own personal experiences. But at the same time, it's the broader the knowledge base, the better.

All right. Then I have just a couple of other questions I'd like to ask you, more on the principle issues. Any trade agreement has its pros and cons. And today we have many trade agreements both nationally and internationally and of course the AIT in Canada. As we move forward, like with any trade agreement, there's winners and losers. You don't always win.

If in our deliberations and our questions and answers we come to a conclusion that the agricultural industry in Saskatchewan may not be a winner — and this is hypothetical because we don't know; we don't have the answer today — that we may not come out being the winner in the agricultural sector by moving forward with TILMA, would your position still be the same, that we move forward with TILMA?

I realize you're making your initial decision based on what you know at the time too as are any of us. But what do you think? That before we make a decision we should come back out and consult and talk to people like yourselves again? A second round type of . . .

Mr. Blakley: — Well I would suggest that I appreciate the challenge that you have, Kevin, because even just looking at the agriculture sector itself in the time period that we've had to look at it, it's a massive undertaking to try and come to a conclusion, I mean. And you're looking at the big picture. So I appreciate the challenge that you have.

It's been our opinion and kind of the experience that we have a lot of trade with Alberta and BC anyway in agriculture products and the freer that we can move these commodities back and forth with the least amount of impediments to trade, it should free up, should free up the issues.

I mean and the cost of production is higher in Saskatchewan, in the business of it. We have the highest transportation rate to get grain to port and those kind of things. That might be an area of concern for us, but we, like yourselves, have to take a broad view of the whole industry as a whole. And granted at the end of the day there might be the odd sector that isn't as quite as advantaged, but we need to look at the big picture so the industry can move forward.

Hon. Mr. Yates: — Okay. Thank you. Well with that if you could present what thoughts you could put together about what

some of these issues, some of the questions that we should ask, I think it would be very, very helpful as we proceed and meet with the officials. Thank you.

Mr. Blakley: — Yes. Okay, Kerry.

Mr. Holderness: — I have one question that we were considering and we didn't know an answer for it one way or another, but our organization has policy on that. We are in favour and in support of the supply management sector in their abilities to maintain their market levels and their profitability within Canada. It's something that other sectors would probably wish they had the opportunity to gain that. But one thing we'd like to, if you had opportunity to ask at the TILMA discussions, without risking losing supply management, would the quotas be able to be transferable between provinces?

Just as an example. Back during the avian flu that was going on in BC a couple of years ago there was some requests coming out to Saskatchewan to be able to move out to here because there was a different climate of it, but maybe able to be spread out a little bit farther and have the opportunity to be able to get away from some of the disease problems as some of those barns were shutting down for a length of period of time. But they weren't allowed to move.

Now was that something that could be on the table as one question? — we'd hope you'd ask. Some people have said in the past that it's a lot of cheaper to bring the animal to the food then the food to the animal.

The Chair: — Well what we are going to be doing is hearing from Alberta and British Columbia officials. And during our proceedings we've been developing lists of questions like that and certainly that's one that on your behalf when it's brought to our attention . . . I saw committee members writing furiously. I know our researcher, Michel, will record that and make certain that we ask that of those officials. Those are in camera hearings for our committee to be able to ask of those officials. But I'm sure that we'd have a strong interest in what the answer is and in as far as it's not giving away trade secrets of the group — that we've said we wouldn't do that — we would be able to share that information with you.

Mr. Blakley: — Thank you.

The Chair: — Mr. Yates, is that your questions complete? Mr. Iwanchuk.

Mr. Iwanchuk: — Okay. Thank you. Yes, a lot of the questions were around, my comments were around the questions and outlines because I think we're asking a lot of the groups if they could provide the barriers and that. But there's also that we are signatories to the AIT agricultural, and I'm not certain what the barriers there or what the progress they've made in that area. And I don't know if you'd have access to that. We'll ask our officials as well. But we probably would want anything, if you can just add that.

The other thing is this whole issue that each group deals with is that the determination in trying to reconcile the differences. And would you go to the lower or would you go to the higher? And, you know, we all sort of jump in there. And I know

you've got your study here and then we've got some other studies, you know, and the predictions of economics. But I guess those . . . Because you sort of indicate that, you know, we would definitely go to the highest or whatever. I mean that has its own set of difficulties or interesting solutions.

The other thing, would there be any programs that you've looked at that you think should be exempted from TILMA, like things that should not be in, you know? You know, are we just thinking everything goes in?

I mean this is, you know, I'm not expecting you're just going to sit down. But I mean, I think that that's what we're asked to do as well. I mean when they're going to sit down . . . I mean here's TILMA, sign on, and then anything that isn't exempted, go in there and start negotiating. Well you know, I mean, should you accept an agreement before you see the details, I guess is the question, you know. But at the same time we have to walk in if we're going to do that. So we need some of those answered.

And just if, you know, if there is something you think, you know, well we think this should be exempted. We've had different groups come forward and say they should be. And so also in terms of a list, if you could do something around that. So I know it's quite a . . . We sent you more work than when you come. But we're also asking our officials to do that too, so it's not just simply one way. But anything, even if you would like to answer general ways now because I mean, I think those are things . . .

Mr. Blakley: — Well I guess as far as programs we definitely need, we're doing some more work on it and we need to explore it a lot more in detail before we can formulate an opinion.

The one thing that pops into my mind though is the feeding industry in Saskatchewan a few years ago was just decimated by the Alberta incentives that their government was paying for feed grain. And basically they built the feedlot industry in Alberta on the backs of Saskatchewan calves. Now of course we have government calves going to Alberta, followed by Saskatchewan barley going to feed them, followed by Saskatchewan kids going to run the feedlots. So that's a very small example of where a program was actually a negative impact on to the Saskatchewan province.

Now that's a very snapshot view of it but we are definitely going to want to look at the bigger picture and just see if there is something that we should be looking at. It's apparent from our study that there's a lot of exemptions at this point in time in TILMA and we would need to study that further. But I don't envy you. It's a big job but I think it's a worthwhile exercise too.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Thank you, Madam Chair. Just in reviewing, agriculture specifically is I think only referred to in the TILMA agreement in a couple of places. The one is the specific exemptions that Alberta and BC have asked for and have agreed to and that — under agriculture — that basically does involve the supply management aspect of the agriculture in each of their provinces. So I guess it would be only an assumption but I

would assume that if another party was to join, that like treatment would be given for the same kind of exemption.

The other exemption that I noticed is when they talk about any compensation for losses that are a result of disease or disaster. So I think that would also put agriculture in good stead if a provincial disaster occurred and the provincial government was in a position to offer assistance. That should be outside of the agreement and not challengeable by the other parties.

And I also appreciate your question on the transferability of quotas. And I will make sure that we do get that question answered, I think that's an important question. So thank you.

Mr. Blakley: — I guess to add to that, and it goes back a bit to your question, Andy, is the biofuels and the renewable fuels industry. That's another one that looks like we're on the threshold for some potential growth and we have the feedstock here and obviously — obvious for us anyway — it seems that we should be developing it. Alberta has a fairly aggressive initiation start-up of renewable fuels and so that's an area where there should be some benefits but at the same time we need to look at it a little closer.

The exemptions are in place for a number of areas as you mentioned, Michael, and I can't see at this point in time from our perspective where a new province joining in would be treated any different. I agree with you on that point.

The Chair: — Okay, Ms. Crofford.

Ms. Crofford: — The normal way we've, I guess, done business in most provinces in Canada is if people want something changed, they lobby their government, whether it's municipal or provincial. We think or I'm starting to think anyway — I shouldn't say we — I'm starting to think that TILMA changes that profoundly, that instead of going to your government to discuss an issue, instead you launch a trade question. Because if it in fact is affecting your economic well-being, and as we have found from other rulings under NAFTA that does include things even like pesticide levels, it doesn't include just . . . Oh I mean it's pretty wide reaching.

So this fundamentally alters how and who you're having the conversation with. I really don't know what to think about that because then it seems like, what then is the role of the elected person if the policy decisions you make can be overturned by a trade tribunal? And I was just wondering maybe the best way to ask this question is, has your organization contemplated what that would mean, that change in the way you do business?

Mr. Blakley: — Well I guess we've had a lot of discussion about it. We haven't come to a conclusion on it as in other things but the example that comes up is that we, right now as you mentioned, we're dealing with the NAFTA agreement. And we're constantly, we still go to our government even though the regulations are in place with NAFTA, and that seems to have some positive and negative implications on both sides of the equation. The WTO agreement, which nobody ever seems to want to sign but everybody wants to talk about, I mean agriculture's been affected by that agreement even though it really hasn't benefited us all.

So as much as I appreciate the concern, I think that if . . . In any contract I always warn my sons when they're signing a contract it's always in the details, the devil's in the detail and the fine print. The theory ideologically could be absolutely correct but if the fine print is wrong . . . So we need to have a really close look at that fine print and just see what it looks like. But it's not that we aren't dealing with those kind of issues already, Joanne.

Ms. Crofford: — Thank you very much for your thoughtful approach to this. Yes, thanks.

The Chair: — All right. Seeing no further questions, I thank you very much for your travels to get here and your presentation before committee, and best wishes in further endeavours.

Mr. Blakley: — Well thank you. We very much appreciate this opportunity, and we will definitely be getting back to you with the issues that we identified. And we're glad that we had the opportunity to communicate that to you and good luck with your efforts. We applaud it. Thank you.

Presenter: Coalition for a Citizen Friendly Regina & the Saskatchewan Health Coalition

The Chair: — The next group presenting would be the Coalition for a Citizen Friendly Regina and the Saskatchewan Health Coalition represented by Jim Holmes who is the president.

Committee, you have before you this afternoon, Jim Holmes, the president, and John Murray, the director. They have two pieces of material that's being handed out to you, and we've mentioned to presenters that you have about 15 to 20 minutes to give an overview and your presentations. And we'll open up for questions from committee. We're bugbears about times because we've got a full agenda, and we thank you very much for the work and the presentation you'll be giving to committee. So we would ask you to proceed.

Mr. Holmes: — Thank you very much for this opportunity. I should point out that John Murray is a director of the Coalition for a Citizen Friendly Regina. So I don't know if you will share the opinions of a health coalition or not, but we'll proceed.

I think I'd like to begin with the Coalition for a Citizen Friendly Regina, but you'll notice there's some overlap because both of these are the lower levels of government if you wish. We're going to be addressing in the TILMA agreement not necessarily parties but the government entities which are referred to in the agreement. And they are, as I understand it, the type of government entities which have . . . subject to a two-year transition period and that. So again it's not clear what all the impacts will be, and certainly they're not in full effect yet in the other two provinces. But let's begin.

Coalition for a Citizen Friendly Regina, from our statement of principles, strives to advance the economic and social welfare of all Reginaans through the active promotion of transparent civic government, open decision making, and emphasis on community dialogue as an integral part of public policy development and implementation.

In going through the agreement I think there were two things that jump out at us. The first one was in article 3, no obstacle:

Each Party shall ensure that its measures do not operate to restrict or impair trade between or through the territory of the Parties, or investment or labour mobility between the Parties.

And article 6, which is legitimate objectives, which is the subject of some debate:

A Party may adopt or maintain a measure that is inconsistent with Articles 3, 4, or 5, or Part II (C) provided that the Party can demonstrate that:

- a) the purpose of the measure is to achieve a legitimate objective;
- b) the measure is not more restrictive to trade, investment or labour mobility than necessary to achieve that legitimate objective; and
- c) the measure is not a disguised restriction to trade, investment or labour mobility.

And again it's important that's a three-part test. It's not one of the three, but in fact you need to meet all three of those. And we think that that sums up the philosophy of TILMA, and that it is that there is no issue of public policy which is more important than trade, investment, or labour mobility. So that is the highest priority. And two, that democratic, elected governments would no longer be responsible for their citizens from their policies but will be accountable to a non-elected trade panel.

Now we've read lots of documents on this. And I just reference quickly the one in the city of Saskatoon, which I thought was interesting because it talked about it's not just the question of the regulations that the city has in place now but ones which might come into effect later, and they use for example the non-smoking bylaws. I can remember 30 years ago when people who asked people not to smoke in meetings like this were laughed down — right? — that that was just an absurd, ridiculous request. And now of course that's legislation almost everywhere in Canada. And so it's not easy to predict what areas of public policy we might want to legislate on.

What we did do is take a look at — in fact the Coalition for Citizen Friendly Regina ran some candidates in the last municipal election — and just took a quick look through some of the proposals in our campaign and took a look at them and how we thought TILMA would apply to them.

So a very simple one is the ban on the cosmetic use of pesticides. And the idea of those regulations — and there are a few of them in Canada — is on a precautionary principle. The pesticide industry argues that the products are government regulated and tested and generally considered to be safe. The opponents argue the effects of pesticide use are difficult to isolate and measure and that cosmetic benefits are overwhelmed by the possible hazards. So what's the public policy balance? What's the trade-off there on those two?

I think it's pretty clear that a restriction on the use of pesticides for cosmetic purposes would be a restriction on trade. That's a legitimate industry now in Canada, so a regulation would be a

restriction on trade. And the decision on whether that should stand or not would be made by a trade panel and not be made by a government. Now the one, I think in the town of Hudson, did survive a Supreme Court challenge, but it wasn't on the basis of a TILMA-like agreement.

A little more close to home, in Regina, one of the things we talked about was the licensing of rental properties in the city. The city requires licensing of all kinds of businesses, requires the licensing of bed and breakfasts in the city. But you're not required to have a licence to rent properties, to be a landlord.

They say there's about 1,800 of them in the north central neighbourhood alone in Regina which are substandard. Currently they do inspections. It takes a huge team because there's no legislation which allows the city to go in there, except the fire regulations, and not always the violations are fire regulations. The tenants are often uncomfortable having people come in. Landlords are sometimes resistant to that.

So the suggestion that it just simply be a business licence so that every property would be acceptable . . . It's not a common regulation in municipalities, although there's some in North America. I think St. Louis is one that uses that principle. I think that's one of the places they borrowed it from. Now again whether that's a good idea or not doesn't get decided by the voters in the city because it would be a restriction on. It would be a new licence. It would be a new restriction on trade. It would be decided again by the trade panel, the determination. And again, is it the least restrictive step that could be taken to achieve that goal? That's a pretty tough, tough burden of proof to meet.

Local purchasing policies. Those are clearly, I think, outlined by TILMA as long as they want to get away from the idea that people will purchase locally or have a local preference. What the agreement doesn't seem to address is the fact that we now have built an economy which is based on transporting goods huge distances. You know, we . . . Massive importers from China. We bring in food from California and Chile, from all around the world.

So if a government were to adopt a policy of saying we would like to create capacity locally, we would like to cut down on the distances things are transported to market, could that survive a TILMA challenge? There'd be restrictions on trade, restrictions on things coming through Alberta or BC. There might be reasons for the city would want to do that, to reduce its own environmental footprint. But it might also want to build capacity in the community to more generally or more indirectly reduce the need for its citizens to bring goods from great distances. Again I think those would be extremely difficult things to talk about in front of a trade tribunal, and again to suggest that those are the least restrictive steps that could be taken.

The other one we talked about in our election policies, ethical purchasing policies. Things as simple as uniforms for employees, who's making them, all right? Under what conditions they're being made? Are you buying things that are being made in sweatshops? You know, legitimate public policy, good question. Certainly we don't have any trouble trading with a whole number of quite repressive regimes. Again China leaps

to mind as one of the worst human rights records in the world, but we don't have difficulty trading with them. Large corporations have some fairly peculiar ethical processes. Again that doesn't seem to be a business concern.

So again the idea of an ethical purchasing policy is been adopted by many public agencies but certainly not by the majority. So again, is it a legitimate goal, legitimate public policy goal? Or is it a barrier to trade? How do you meet that three-part, three-part test?

Tax expenditures. We talked about taxation. And tax expenditures, I think, is a useful idea because there's both questions of which taxes you collect and how you spend your money and which taxes you choose not to collect and how you govern your revenue in that formula.

One of the things we point out, the city of Regina now is collecting about 70 per cent of its revenue, of its tax revenue, comes from residential properties and about 30 per cent from commercial properties. It's important to note that Regina doesn't have a significantly different assessed value. That is the assessed value of residential land and commercial land in the city of Regina. It's about the Canadian norm, again about 70/30 — 70 per cent in residential, 30 per cent in commercial property. And that's pretty consistent across Canadian municipalities.

What's interesting is, is that most Canadian municipalities take 50 per cent of their revenue in from residential property and 50 per cent in from commercial property. Now sometimes that's differential property taxation, sometimes it's a dedicated business tax. For example, Calgary, surprisingly, has a dedicated business tax.

But the point there is, is that TILMA talks about not offering business subsidies. And I think I heard a little bit of that as we came in — the importance of that, importance of a level playing field. But it doesn't talk at all that I can find about the idea of tax expenditures, the idea of a community, like Regina does, in fact, giving substantial benefit to its business community by setting the rates of taxation that it does.

And it's a big issue I think for Regina because our ability to provide a good level of quality of life for our citizens is dependent on having revenue to do that, obviously. That depends on what our taxation base is. But we operate on a much smaller economy than the other two partners in TILMA now — British Columbia and Alberta. That's a difficult one for us, also difficult because the extent to which that Alberta has much larger natural resource revenues than we do.

We talked a lot in our program about how the city should develop — in our election program — how the city should develop, about how to regulate and conduct urban planning. And I think there's suggestions that any attempts to regulate development could be subject to a TILMA challenge. The city of Saskatoon, for example, talked about the preferences they have for downtown development, that they have incentives in place for businesses that locate downtown as does Regina. And so that's an important issue and I expect other municipalities will speak to that.

But what are the others things that a city might do? What about a requirement for example to use alternate fuels in city vehicles? What about building capacity for alternate fuels in the cities so that other businesses and perhaps citizens might take on alternate fuels? What about a regulation to have mixed-income housing? The city of Regina has done that quite successfully in some areas downtown, and there's some interesting developments going in in this city. Is that going to fall into a TILMA challenge? Because again that's clearly a restriction on people's right to do business in the way they want. Things to do that you might do to discourage automobile transport, to cut subsidies to private automobiles — all of those could be subject to challenges.

The other one of course is that we suggest that TILMA will put an additional level of burden on taxpayers because every regulation that the city might now consider now has to be looked at in terms of effectiveness and whether it's good in what the unintended consequences might be, and what the environmental impact might be, what impact it might have on the budget, but also is it going to be challengeable. Are we going to have to defend this in front of this trade tribunal? What are the consequences? Of course the penalties are spelled out in the Act.

But all of those things are going to be another level of review that has to go in for every decision that's made. And so again that's a big issue. And again city councils, \$5 million is a lot of money for a city to have to pay out, so they're obviously going to be quite risk averse in terms of running into situations where they might end up with that kind of penalty.

But I think the key then is that we end up in situation. We start to lose control, our ability to make decisions, and that's probably the most serious threat of all. Even aside from the threat of the challenge is just the idea that any public initiative might be subject to a challenge that it will make people back away from policies which might be innovative or might be different ways of approaching that.

The other thing I think it's worth taking a look at is the possibility of simply vexatious complaints or claims being made before the panel. And I think we've seen that. For example I think Wal-Mart's done that quite effectively with the Labour Relations Board, that you can simply tie things up in litigation for long periods of time and keep regulations from being placed.

So I think on the local level every level of government think that prosperity of its citizens are important, and taking away unnecessary or obsolete, redundant barriers is very important and can increase trade and increase prosperity. But just prosperity is not the only measure of the quality of your life. We expect governments to provide a safe environment, sustainable in a equitable community so that everyone has opportunities in a rich and varied cultural life, and opportunities to develop your full potential.

And the other thing I think even more important even than the outcome is the process that citizens expect the decisions governing their lives will be made democratically, that they have the right to have influence and to talk about those things, to have those things put to a vote by their elected

representatives, and then to vote on those elected representatives at some point.

And I think the problem with this, the problem with the TILMA, one, is it elevates this idea of trade and investment and labour mobility to a level above all of those other concerns. And I think that kind of approach in fact has the impact to degrade the quality of life of citizens. I think there's a lot of controversy about how much prosperity it will actually bring, but you can become more prosperous and have a lower quality of life.

So anyway in conclusion, on behalf of CCFR [Coalition for a Citizen Friendly Regina] we would like to recommend, we would like to ask you to recommend that Saskatchewan not become a signatory of TILMA. We think that the risks far outweigh the advantages.

The Chair: — Mr. Murray, do you have anything to add to the presentation? All right, thank you. I'll open up then to the committee and that's first Mr. Weekes, and Ms. Crofford.

Mr. Weekes: — Thank you, Madam Chair. Thank you for your presentation. You've raised a number of issues that other groups have raised, and I believe at the end of the day they're unfounded because of the exceptions that are in the agreement as far as . . . Well you state at the first that no public policy is more important than trade, investment, and labour mobility. But there's certainly exemptions put into the agreement that would protect labour laws and codes and Crowns and municipalities and so on and so forth. There's certainly a number of things that speaks to your concerns in the agreement.

And also the idea about democratically elected governments not having any . . . no more responsibility, lose that democratic right. I see it no different than the . . . Let's use the examples of the Labour Relations Board. MLAs [Member of the Legislative Assembly] don't sit on Labour Relations Board. You know, I mean there's a system set up by the government. There's rules and regulations around it. You know I don't see the force of mechanism any different than that. I mean democratically elected governments agree on what's going to be in there, and those governments can change it, and they can opt out.

But given all that, we are going to have Mayor Fiacco here, I believe tomorrow, and certainly it's going to be interesting to see his presentation because there are concerns about procurement policies and urban issues and so we'll certainly . . . We'll look forward to his presentation.

The one thing I found interesting with your presentation was your kind of take on the environment. And I'm not disagreeing or agreeing, but I guess we need to, we as a society need to identify . . . In this agreement we need to identify what is an environmental issue. You seem to — I would ask you this — you seem to suggest that the economic side of something will override the environmental side. And I mean there's always that give-and-take in all sorts of things. I know the environment issue is certainly considered in the agreement, but as your example about the use of cosmetic pesticides it's interesting to . . . I just think that's a question, the processes. We're going to have the BC and Alberta officials in, and I think that's a good question to ask them, you know, to identify, you know, that

example's a good one of which is overriding, the economic side or the environmental side. And I'm sure a lot of these things run into a grey area.

But I think just one point that I'd like to ask you to reconsider is about the mechanism as far as the possible fines of up to \$5 million. I understand it to be that the province would be fined, would have to pay the fine if it came to that. What is your . . . I believe in your presentation you referred to the city would have to pay it or some other body.

Mr. Holmes: — That's a curious take because I think the closest analogy we can draw are other trade agreements. And my understanding for example in the other agreements is that the agency which has brought in the regulation is required to pay. Now there's some argument I've seen that a municipality for example is not a party, so it's the province's responsibility. But as we know the province transfers substantial amounts of money the municipalities and so two questions arise.

One is, does the province have levers that it would use to ensure that municipalities don't end up incurring huge debts on the province's behalf? So that's one of the questions of how it's brought about. And the other question is that, what if a situation where a municipality in Saskatchewan had adopted a regulation which the provincial government was not particularly supportive of, does that mean that then it's the provincial government defends that regulation on the city's behalf? And is the city confident or is the municipality confident that the province is in fact going to give a wholehearted defence of that? So that's a problem it takes away then.

I agree with you. There's huge grey areas in all of these things, I mean, but that's the nature of being a politician, right. You're the ones who get to, you know, to make those decisions on those grey areas. Then I guess we as citizens get to make our decision at the ballot box on the decisions you've made. The difference about this is it goes to a trade panel.

You've talked about environment. One of the notorious cases of course under NAFTA was the municipality in Mexico which decided it did not want hazardous waste in its community based on, I think, an experience with an earlier company which had in fact not been good stewards of that. So they decided they didn't want any more. That was taken to the NAFTA panel, determined the municipality did not have the power to impose that kind of regulation, that they were in fact required to take that material.

So where these things go, I mean I think, quite frankly, you can ask the people from Alberta and BC what they want. But like NAFTA, the outcome of these things is not going to be determined in fact by government officials. It's going to be determined by trade panels ruling on what they think this agreement means.

And I'm not sure, you know, you may know my background is a labour negotiator. I negotiate lots of contracts, and sometimes they would come to disputes, and sometimes we would have an arbitrator make those decisions in what that contract meant. We each hoped the arbitrator would agree with our interpretation and they obviously picked one or the other — they usually picked one or the other. Sometimes, they had their own

interpretation of what that fact and that information made.

So we had the power to go back and re-negotiate that, and I guess the parties will have the power to go back and re-negotiate TILMA. But I think someone was saying the devil's in the detail. And it's a very vague agreement and leaves a tremendous amount of interpretive discretion to those trade panels at the end of the day. That's the frightening part about it.

Mr. Weekes: — Just one quick follow up. As you stated before, I quote, "... that no public policy's more important than trade, investment or labour mobility." That's your take on TILMA. I think, I think you're taking maybe an extreme view on it.

I mean, what the whole agreement intends to do is reduce barriers for trade, investment, and labour mobility. I mean, that's the intent of it. It's reducing the barriers. So I'm not, I'm not ... We've had a number of groups that have this similar position, and it seems to me that — without getting into debate — I think that's on the extreme way of looking at it because that's certainly not, is not the intent of anything that's written or spoken about the agreement. It's reducing barriers. But I'll leave it at that. Thank you.

The Chair: — Well I have to, as Chair, say that when you express your opinion without a question, then you might be entering into some debate and would beg a debate back and that's ...

Mr. Weekes: — Guilty.

The Chair: — He's been caught out again. But it does beg a response and then as Chair, we do have two papers in front of us, and a presentation on behalf of the Health Coalition. And so as Chair, I would want you to know that what you read in your presentation into record becomes a record of *Hansard* for committee. The committee would receive both pieces of information. But Ms. Crofford has pointed out, did you want both presentations into record today? Then you should probably move on to the second presentation. Then I'll open up for questions on both ... [inaudible interjection] ... All right. I think that's the best way to go so that we use your time wisely.

Mr. Holmes: — Okay. Again the Saskatchewan Health Coalition is a provincial organization, and its mandate is to advocate for the preservation and expansion in fact of public health care in the province of Saskatchewan.

I'm not going to cover all of this, and again health care is the same situation as covered by the two-year transitional position.

I guess what we would say is, is that basically all public health care in Canada is based on restrictions on trade and investment. That's the point. That was what the controversy in 1962 was about. It was a restriction on the right of certain people to carry on health care as a business — physicians ... although less so than, more importantly probably insurance companies. And we just want to talk a little bit ... Well let me just, I mean, the numbers are here for you.

But what's important to remember is, is that Canada and the United States were extremely similar societies in 1960 before

the introduction of medicare. Health indicators, life expectancy, infant mortality were very similar. Health care costs were very similar — about 5 per cent of GDP in both countries.

What's happened since then in both countries, life expectancy is increased, but it's increased much more rapidly in Canada. Infant mortality has fallen, substantially in both countries, but fallen to a much lower level in Canada. Costs have gone up dramatically, just about doubled in Canada and tripled in the United States. So the Americans get much worse health care, much poorer health outcomes for about a 50 per cent greater expenditure. So that was restriction on trade and investment, and it was one that paid off huge public policy dividends.

But what's interesting about our health care system is it's not very, not very broad. It's often characterized as being a mile deep and an inch wide. That is, we cover hospitals and physicians fully, but we cover very little else. Most OECD [Organization for Economic Co-operation and Development] countries cover a much broader range of health services. It turns out that we, the Americans, and Turkey are the only countries in the OECD which do not provide for drug coverage as part of the public system.

And in the Health Coalition one of the things that we have often advocated for is to bring the provision of drug coverage, pharmacare coverage into the public system. What we have now really is we're near the American system in terms of drug coverage. We have some at work. We have some that's privately paid for. We have some coverage, social coverage, for seniors and for people with low incomes. But it's a mishmash. And again based on the OECD where they say is that's the very worst way to provide health care systems, multi-payer systems are the least efficient. So that would be the first step.

The TILMA agreement appears to provide a standstill, a status quo, static agreement in terms of health care, but it doesn't seem to allow any room for expansion. So for example if the province were to move into a universal drug system, I think you could predict a challenge from the pharmaceutical companies and from the insurance companies on that basis. It's an important part of their business, and it's one that would disappear in the same way that physician coverage disappeared.

The other important thing to realize about pharmacare is the ones that work are not simply payment systems, but also systems that have some impact and some monitoring of the efficiency and efficacy of drug coverage. And British Columbia is one that has a very good system. And New Zealand does too. New Zealand has a system of basically national purchasing or national entry into their national pharmacare program which has helped to keep costs down very substantially.

But all those things are restrictions on investment and trade I think quite clearly. And so that's a real problem in terms of where things go with that.

Talked a little bit ... although that's somewhat gone. But I mean there was a point about a year ago when Alberta was talking about basically opting out of our medicare system and allowing doctors to practise simultaneously in the private and public system. And again if that were to start in one province, I think it could set a very bad precedent for the others, could be

subject to a TILMA challenge. In fact any of this could be subject to challenge under the TILMA agreement because they are restrictions on trade.

And again — to go back to what Mr. Weekes said and save a little time — I don't read the agreement that way. And I did, as I said, I negotiated and wrote agreements. It clearly sets out there that it is not a balance for this trade tribunal to decide whether this is a trade restriction. It is for the government level which is implementing the regulation or policy or legislation to demonstrate that it is not a trade barrier, that it has a legitimate purpose, and that it has taken the very minimal steps necessary to meet that legitimate, legitimate principle.

You can't say the Americans don't have a health care system. They have the worst one in the world, in the developed world maybe. But they have a system. So is a public system demonstrably the one that brings you least into conflict with investment and trade? I'd suggest not. It's the best one, but it's not the one that has the least impact on investment and trade. And that, I think again, is a problem with trade.

And again as I read the agreement — and I've seen other legal opinions; I expect you have a stack of them this high by now — it tends to just the same thing, which is there's a very clear onus on the government to prove that it's not interfering with investment and trade. It's not the other way. It's not some balance. It's not saying well on the one hand, on the other hand. It's not. The government has a clear requirement to prove that its steps are the least intrusive. So I think that might be . . .

The Chair: — Okay. We have Ms. Crofford, then Mr. Yates.

Ms. Crofford: — I can't even remember if I can remember my question right now. I didn't write it down. If you want to go with the next questioner first and I'll recall what I was . . .

Hon. Mr. Yates: — Thank you very much, Madam Chair. I've asked a couple of questions of most if not all presenters. And the reality that there are trade agreements, there have been for significant periods of time — but we're facing today a different approach, a regional approach to trade agreements versus our traditional pan-Canadian or Canadian approach to dealing with issues as a country.

My first question is, do you see the proper approach to trade to be through regional agreements or on a more national Canadian-wide basis?

Mr. Holmes: — I think on a Canadian-wide basis. It seems to me that the purpose of trade, the purpose of an economy is to raise the prosperity and the standards of living of its citizens. I've been lucky enough to do a little bit of travelling in Europe and it's quite evident there that that's how they organize. The European Union is based on raising up the level of all countries to that of the highest.

In North America and in the Americas generally, I guess, there tends to be a push the other way around which is to lower standards to the very lowest level. And so I think that a regional one — and I think TILMA shares that flaw — but I think a regional has the one that all the players aren't at the table. All the players don't have that discussion, aren't part of that

discussion and that determination. And if the impact is, in fact, to bring standards down to the lowest level, it then creates competition in all the other jurisdictions to bring theirs down to that level too in terms of trade even if they're not signatories to the agreement.

Hon. Mr. Yates: — Thank you very much. My next question has to do with agreements in general. The devil is in the detail always, and we've all had the opportunity to be part of many agreements. In this case the way the agreement is designed, to enter into the agreement today you have to accept it as it is and then of course over the next couple of years many of the details will be fleshed out. So in essence you're accepting an agreement without understanding what the outcomes will be. Is that the type of approach that you believe the provincial government should take in moving forward in the trade agreement?

Mr. Holmes: — It seems to me and one of the things that I've found in these discussions is there's lots of talk about what these barriers are. People don't seem to be very good at identifying what they are. When I talk to people about labour mobility, that doesn't seem to be an issue.

I know that when I had friends who were tradespeople when the industry collapsed in Saskatchewan in the '80s, they didn't have much trouble going to Alberta and finding work. And by the same token I know lots of people who work in the health care system and they don't seem to have much difficulty, and less difficulty now. I think it's decreasing in terms of moving across provincial boundaries to find work. So that's an issue.

I think if there are unnecessary regulations they should be done away with. The difficulty that I find with TILMA is it's so wide open and there is such a clear emphasis on the idea that the only thing that would matter in a decision is its impact on trade and investment, that I don't think there's an opportunity to make very many considered decisions. I quite frankly I don't know what an agreement looks like where you would address . . . I looked at some of the appendices where they go through all the various requirements they want for all the professions and the ones they want to exempt. It strikes me as being a very odd thing for a government to be doing, to go through in that kind of detail.

I think there have been movements made and I think it would make more sense to put the work into that at a practical level, as people did on the Agreement on Internal Trade where they reduced a number of labour mobility barriers there, and some of them quite successfully. So find out what works there and do it. But a general statement, it's almost like a constitutional right to trade and investment trumping every other right that citizens have.

Hon. Mr. Yates: — Thank you very much. No further questions.

The Chair: — Okay. Ms. Crofford.

Ms. Crofford: — Yes, I did recall what I wanted to ask you about. One of the problems as you can see that we're having is a lot of speculation but not too many facts. But what we do know is that the dispute resolution process proposed in TILMA

is NAFTA-like. What we do know is the public has no intervenor status.

And I'd like to go back to the example you mentioned in Mexico because that's a real situation where there was a real tribunal, a real hearing, and a real outcome. Can you tell me a little bit more about why it was that the interests of the local community and not having toxic waste disposal was not considered to be more important?

Mr. Holmes: — You're asking me to determine why that NAFTA decision, and quite frankly I'm not the best person to ask. The reference that I came from was a lawyer called Steven Shrybman and I understand he's going to be testifying next week in Saskatoon. He could probably give you more ideas.

But the understanding that I had was that the decision that the NAFTA tribunal made was is that in the company itself there was nothing objectionable, nothing illegal in what it was undertaking to do. And therefore there was no, the municipality had no right to say, you can't set this facility in our community.

My understanding of the history was that they had a very bad experience with a similar type of industry sometime before. And they just as a matter of policy said, this is not what we want in our community because we have no power to regulate it. If they go out of business, if they disappear, if they flee across the border, we have no ability effectively to deal with this. And so this is not a liability we want to undertake as a community.

Ms. Crofford: — Now that's something that's, I guess, environmentally unacceptable to the community or perhaps there was other reasons they weren't in favour of it. What about something that was morally reprehensible to the community — for example, a place that sold sex for its occupation? Likewise, do you think . . . I mean is there any parallel between the two that it would be not possible for a community to say that we don't want that in our community?

Mr. Holmes: — Well I suspect, I mean, if you look at that, I think . . . My experience of these things is very limited.

Ms. Crofford: — I hope so.

Mr. Holmes: — My understanding is that Saskatchewan's one of the few jurisdictions which does not have exotic dancers, for example. So we've made that decision as the community. It doesn't seem to have any terrible social impact on us. Perhaps other people could learn from our example. I'm not sure.

Ms. Crofford: — It's just that under the heading of question mark. Yes.

Mr. Holmes: — We'd get some great newspaper coverage, I suspect, if someone were to launch a challenge against Saskatchewan for restricting people's investment in that industry in Saskatchewan. But that's the key.

I mean, there are a whole number of grey questions, questions of . . . Ethical questions, moral questions are difficult ones. You people have to wrestle with them all the time. I would have much more faith in your ability to wrestle with those questions

than I would in a trade panel. Because again, a trade panel is a specialized tribunal in the same way that a labour arbitrator is. They have a very narrow focus in terms of what they're looking at. And they work within . . . They may be very good at what they do but they're looking with a very, very narrow framework on those things. You know, it's not the place to send social questions.

Ms. Crofford: — I will just take your advice and ask the person that we've got coming next week, because one of the things that concerns me is also the cost of this process and structure as far as, I mean, municipality choosing to defend a decision that it's made or whatever. But I can't ask you that, so I'll save that for next week.

The Chair: — I note that Mr. Weekes is mentioning to me that there seems to be some expressions of opinions and not a question of the presenter. So that was, he noted, quite skilful. Further questions from committee members? Mr. Chisholm.

Mr. Chisholm: — Thank you. Just in regard to your comment that labour mobility, as you saw it, which is an integral part of the agreement and the reason for the agreement, as I understand it. They identified initially 60 different occupations in Alberta and BC that were not compatible, in which labour mobility was a problem. Once they started working on those, that number grew to 100 more became apparent. And I just have a fairly recent communiqué from the Alberta and BC government that indicate now that work is well under way to reconcile the nearly 250 identified occupations over the next two years that do not currently enjoy full labour mobility between British Columbia and Alberta.

So I would suggest that labour mobility is a real concern, certainly for Alberta and British Columbia, which they are prepared to address through this agreement rather than just dismissing and saying that labour mobility is not a concern. I think they certainly have identified it as a concern.

Mr. Holmes: — I wouldn't suggest here that labour mobility is not a concern. I guess I'm just wondering why it requires this agreement for the combined power of those two governments to take on 250 occupations. And I need to look at some of them. Of course I don't know all of those but one of them I'm quite familiar with from another career is licensed practical nurses. And so if you look in here, you will see that they are not compatible between the two provinces, between Alberta and British Columbia. And they're not because licensed practical nurses in Alberta have the ability to administer medications as they do in Saskatchewan now, right, so we've brought ourselves up to that standard. In British Columbia they do not. They do not have that pharmaceutical training.

So to say that we have to have, to say that a licensed practical nurse could move from British Columbia to Alberta and practise she is, he is, unqualified to do that work in Alberta because the expectation is they will be in fact administering medication. And in fact it's quite typical. My daughter-in-law does that in Alberta. She is the nurse who dispenses medication in an extended care home. A nurse, licensed practical nurse from Alberta does not have that capacity and ones from Saskatchewan didn't have it, what five, seven, ten years ago, something like that. That's something we've done now.

So to say that there's a barrier, yes there's a barrier. There's a good reason for that. They are not as capable so we need to look at ways of making them capable. And I think the way you do that is the way that Saskatchewan did, which was to increase the qualifications and the skill set of our people in those professions so they could do that.

I mean I don't know if they're to that extent about the other ones which are contained in here. I was watching the videos. I saw a Mr. Royer talking on about the differences between construction tradespeople and their certification from province to province. I know almost nothing about that but I do know the tradespeople typically have been able to move across borders.

And so how do we look at making that work? I mean quite frankly I would agree with you 100 per cent is that people should be able to move wherever they need to, wherever they want to in this country to practise their occupation or profession, absolutely. But we need to make sure that we're talking about oranges and oranges and in some cases we're not. So it's good that those governments are harmonizing those things. They didn't need this agreement to do it. We've harmonized our LPN [licensed practical nurse] standards with Alberta's and with Manitoba's. We didn't need this agreement to do it.

Mr. Chisholm: — Thank you. I'm wondering just, Madam Chair, a couple of questions came up that I think we should just make a point of too, to be addressed. One is we could ask the officials if TILMA's intended to be involved in the destruction of the health care system and perhaps also what they see the role in legalizing the sex trade in Western Canada. I mean if these are the questions that . . . We believe we understand the purpose of the TILMA agreement and I think it's getting a little . . . Thank you.

The Chair: — I'm going to see if there are further questions of the presenters and if not, thank you very much for the, both presentations that you brought before committee. And we appreciate the presentations and thank you for withstanding the questioning that follows.

Mr. Holmes: — Thank you very much.

The Chair: — To Mr. Chisholm's questions, I think somewhat rhetorical, but we will be formulating that list and then as a committee look at them before we fire them off to officials in Alberta and British Columbia.

Ms. Crofford: — Madam Chair. I actually have a list I've been developing here. Now what's the procedure? Because I can continue to pursue these questions individually or I can type up my list and someone can look and see how it compares to the other lists. But it seems like we've had some recurring themes and I'm sure our Clerk and our researcher have captured most of those. But is that helpful if we have questions that we know we're going to ask, to give them to you ahead of time?

The Chair: — Well what we've been looking at is trying to, as those arise, the ones that we really want to give to officials in Alberta and British Columbia in advance so they can look at — from a technical point of view — their best opinion to bring to committee when they come. So if there are some of those and

then if there are some that you have, your own specific questions you want to ask, and save those for a time when they come. But what we thought we would do would be before we adjourn tomorrow, look at what we've got so far and send them to the two presenters to have them do some of their background.

Ms. Crofford: — So there will be a time to do that?

The Chair: — Yes.

Ms. Crofford: — Okay.

The Chair: — I'll call for a five-minute recess. Our next presenter is here for 3 p.m., so we would want to say five minutes, no more. We just need that break as a committee. And we'll see you at 3 minutes past 3, committee members.

[The committee recessed for a period of time.]

Presenter: Retail, Wholesale and Department Store Union

The Chair: — The presenter's information is now being put before you, and we welcome Retail, Wholesale and Department Store Union representative, Larry Kowalchuk, who will be the next presenter. Mr. Kowalchuk, thank you for your time and thought put into presenting to us.

We allow about 10, 15 minutes for an overview presentation and then open up for questions and answers. And that's because we do have a full agenda but we try and be fairly lenient in making sure all of the relevant information that you would want to present comes before committee. Thank you for your time here and you can move forward on your presentation.

Mr. Kowalchuk: — Thank you very much. I just want to explain, I'm general counsel for the Saskatchewan Joint Board of RWDSU [Retail, Wholesale and Department Store Union]. We're the largest industrial union in the province of Saskatchewan, and our members are all within the boundaries of the province of Saskatchewan.

We're very proud to be a union that represents exclusively people who work in the province. We work in almost every area of the province — rural and urban, north and south. Our members are proud to be in the province of Saskatchewan, and we love this place so we appreciate very much your courage in allowing the public the opportunity to comment on something which we happen to believe is kind of significant to our lives and the members that we represent.

We also hope however that you have more courage than to just listen, and that is to act on the basis of what you hear in the public consultation that you're engaged upon.

Now in that context I also want to point out a number of facts. You're talking about a trade agreement which is the movement of product from province to province, country to country, nation to nation, and across the planet. Probably the most highly unionized sector of our economy are the trade sector — nothing leaves Canada without it being handled by a unionized worker.

Our union is affiliated with longshoremen. So if you want to send anything by sea, it's going to be handled by union people.

We know trade. If you want to ship anything by air, that's going to be handled by union people. We know about trade. If you're going to handle anything by rail, it's going to be handled by union people. We know about trade. It's one of the most highly unionized sectors of the international, national, and local economies. So our members deal with it every day.

We'd like to start off by saying to you that we don't know really what the problem is. I mean, I may be old fashioned, but I don't know what's broken. We don't know what's broken. We don't know what you're trying to fix. And we don't know what your purpose is. Why are you looking at a trade agreement that is called TILMA?

We assume that the reason why you're holding the hearings is because you're going to answer that for us, because it's not clear exactly what the document says. I happen to be a lawyer. I've argued cases in every court in the land, including the Supreme Court of Canada. I make my living arguing over the words. And I can tell you that we can play Kim's game if you want to prove my point, and that is, I'll give you four words and ask each one of you to give me what you think they mean. I guarantee you, you won't put down the same thing.

Secondly, I guarantee you that you can find a lawyer that you can pay . . . I think I went up against a lawyer from the United States who was arguing about the Canadian Constitution, who was getting paid \$1,500 US an hour to argue with me over the meaning of two words in our constitutional and divisional powers. This is about words. You're looking at a document but you're going to turn it over to lawyers. And despite the fact that I'm a lawyer, I don't support that government and decisions on the basis of social policy or what's good for us should be left in the hands of people who are not accountable.

You cannot un-elect a lawyer you hired to argue a case. I can't say that lawyer shouldn't be allowed to put forward a position which says, for example, that laws which prohibit sexual harassment in the workplace are a barrier to trade or investment. I can't say, well that lawyer not's allowed to argue that and he's not allowed to win. And I can't argue that the trade tribunal that's going to hear those arguments isn't allowed to listen to him and accept his arguments.

Now I've watched all of the presentations that you've had and the questions that have been going on, and I keep hearing you saying, well it doesn't say that, it doesn't say that, it doesn't say that. You keep suggesting in questions and some of the presenters, and most notably the one from the Canadian Federation of Independent Business who presented, suggesting that there's fearmongering and so on going on. Well with all due respect, there's nothing like that going on.

I guarantee you that you can pick any phrase and there will be a difference of opinion about what it means. And what you are about to decide is whether or not you're going to leave the interpretation of all of those things up to lawyers that argue in front of a trade panel. Period. Now if that's not giving up government, I don't know what is. Because a trade panel's not elected. The lawyers that argue are not elected. The positions that they take are not ratified by a democratic process.

I do this for a living and, trust me, I have argued over the

meaning of one word in front of the Supreme Court of Canada. We go to dictionaries which, by the way, don't all agree on what that one word means. We go to politicians which don't all agree. We read the *Hansard* and we find out, believe it or not, that the politicians who drafted that statute don't all agree on what the words are in that particular statute that they've approved in the legislature. I'll cite different decisions from different courts in Canada and across the world who disagree on the meaning of that particular word. It's not about what those words say. Yes, the devil is in the details. Not really.

This is about democratic accountability. This agreement clearly and unequivocally says that everything is a barrier to trade unless it's excluded or exempted. By definition, everything is a barrier unless it's exempted or excluded under chapter V or part V or definitions in the beginning of TILMA. It says that. You cannot dispute that.

How do we know what's going to be exempted? Well it's going to be based on perhaps a politician or two. I don't know how many people have to be consulted about whether or not, as a government, you're going to agree to exempt something. But here's what's undemocratic about it. I don't think the people of Saskatchewan — I'm convinced, listening to all the briefs and reading all the documents I've seen, that the people of Saskatchewan don't want to give to a particular group of people in the provincial government the authority to decide whether or not what they do as a government is exempted.

Because TILMA does not require that you consult with the city of Regina or the city of Saskatoon or the rural municipality of Edenwold or Francis or Watrous. It doesn't require their permission and their consent for you to agree that they're no longer exempted. It doesn't require under TILMA that you consult with a health district or a health board or a community group or organization to decide whether or not they're no longer going to be exempted for what they do. There is no requirement in TILMA that the provincial government — people who are responsible for agreeing to exemptions when they are negotiating or removing exemptions — have to consult with the Regina Qu'Appelle Health Region and say, look, we're going to agree that health care is no longer exempt in your region and it can be privatized. Under TILMA you can do that. You can do that to the Regina Health District.

I don't think that's democratic. I don't think that you have that right. I certainly don't want to encourage you to do that. This centralizes power on the question of exemptions.

I listened to you ask someone about and say to them, well like you know, you're raising all of these things here. You specifically said well, they're all exempt. But the agreement says you have an obligation to review the exemptions for the purposes of liberalizing trade. It says that. I don't know about you, but I think I could make an argument that that means that you have to be broader in reducing the exemptions. You have to allow more barriers to be removed. You have to move towards privatization of health care rather than expanding public ownership and operation of health care.

I can make that argument. I know a whole bunch of lawyers that have because you've got copies of those documents. I know there are people presenting to you that are making that

argument. Well if they can make that argument, a tribunal can agree with them. You cannot say that's not true.

But what I'm mostly concerned about on behalf of the people we represent, because we love this province and we like the way it operates; we respect the fact that municipalities, rural and urban, have autonomy from you and that they can make rules and regulations that favour . . . For example, I listened to Ms. Braun-Pollon say, talk about this farmer in the North. Well I was at a SUMA [Saskatchewan Urban Municipalities Association] convention and one of the people got up to the mike and said well you know, we're not a big operation, we've always done this work in our little municipality. And their contracts are worth like 25, \$30,000.

Am I correct in understanding that TILMA will now allow those to be publicly tendered instead of there be a preference that'll be given to people who live in the community to make a living off the tax dollars that we pay to our community to administer this? You know the answer to that question, don't you? They're now going to have to compete.

And while Ms. Braun-Pollon on behalf of the Canadian Federation of Independent Businesses, she's not afraid of competition, I can tell you those people are and they happen to be a small business in the province of Saskatchewan. We care about the ma and pa operations. We care about local people who keep their money and their families and their homes here, who invest in Saskatchewan. We care about them and we support every rural and urban municipality in having a policy which says, we will prefer giving our money which comes from the taxpayers in this community back to you. They have that right now and TILMA will take that away.

And you know that is a fact because it lowers the barrier to \$10,000 on some things and 25,000 on the other. That's a fact. I doubt very much if you'll find many lawyers who disagree that that's what's going to happen. What I don't understand is why you don't think that's bad. I don't understand that. We don't understand that. Now I can go through all kinds of other examples, but that's our concern.

You, by signing TILMA, are usurping to yourselves the power to decide whether or not every municipality, every community group, every volunteer organization, every sports organization, every union, every manufacturer, everybody in this province is going to be exempt or not. Because there's no requirement under TILMA for you to get their consent before you have removed their exemption under TILMA. You can show it to me. I'd love to see it, but I have not been able to find it. That's not democratic. That's not responsible government, and it's certainly not your right, in our respectful submission, it's not your right to usurp that power from us without our consent. We like the way we operate right now. TILMA doesn't do that. It takes it away. Dangerous in our view.

Just a couple of other comments. People come here and claim to speak for a lot of people. I'm not going to do that. I'm Larry Kowalchuk. My job is general counsel. I try to represent the views of my members, but they haven't voted on it. But I think it's important that facts are on the record.

The Canadian Federation of Independent Business spoke here

yesterday, and they claimed that they had a survey which left the impression, when I was watching it, that 80-some per cent of its members supported TILMA, until I saw the details, the truth. Six per cent of the members of the Canadian Federation of Independent Business of Saskatchewan, 6 per cent of their members support TILMA — 6 per cent. That's assuming they understood the question. It's quite clear not very many people know what TILMA's all about. But assuming that 6 per cent of them understood the question and what it meant, only 6 per cent supported TILMA. That's not very good numbers.

The suggestion was made, well we're not afraid of competition. I don't know who she was speaking on behalf of, but I can tell you that most small businesses in Saskatchewan, in fact in the world, don't support the competition that they have to go against on the economy of scale of Wal-Mart. Most municipalities, large in North America, refuse Wal-Mart there because empirical truth, businesses go out of business. Do you know how many businesses have gone bankrupt since Wal-Mart's come to Saskatchewan? I think that would be a useful question for the committee to ask.

You want to liberalize trade and open it up to the economy of scale. There was a question asked by a member about whether or not who wins and loses are the big guys on trade deals. I handed out to you a fact. I went to a rally yesterday on poverty in the world. You've got that on a little slip here. I don't know if you think that Oxfam is a credible organization. I happen to think it's a credible organization. It's not the opinion of an economist. Oxfam says that trade has resulted in the continent of Africa losing \$270 billion a year. This is a country of the poorest. Trade costs the people of Africa \$270 billion a year. That money goes to the countries like the United States, the big players. Trade benefits the rich. It always has. So those are facts.

The estimate from the Conference Board, about \$291 million and 4,000 jobs, I don't know about you, but I've got a bridge in Brooklyn I can sell you if you want. I mean, what's that evidence based upon? Does it include the cost of the administration of TILMA?

You know that every, every decision that government and organizations and community groups and so on are going to have to make from now on is going to have to be vetted by lawyers. They're going to have to spend time making sure that they comply with TILMA. That's going to cost Saskatchewan hundreds of millions of dollars in time and legal fees. Is that taken into consideration here on the . . . 291 million is not very much money. It's nothing. Give me the cost of the administration of TILMA for one year. I think I could probably create 4,000 jobs. What kind of jobs are they talking about here? Where are they going to be created? How are they going to be created? And how's TILMA going to do that?

There's a suggestion in the research presented to you, allegedly research about the benefits of the NAFTA to the province of Saskatchewan and how much our trade and so on has increased and how many jobs we've had and so on and so on and so on. Well like you know, there's an oil boom going on. I don't know about you, but that seems to be accounting for most of the economic growth in the world today. IPSCO shares went from — what? — \$16 to \$170 a share because of the pipelines

they're building for the oil company. I suppose you can give the NAFTA credit for that if you want to.

But I mean, I'm a lawyer. I like to see facts. And here's what I know as a fact. And I've . . . I don't know why . . . you know, who wants this? Why do we want TILMA? Who wants it? Well if you look at all of the briefs, if you look — and I have it here if you don't — at all of the consultations around the AIT . . . because the AIT did extensive consultations. They heard from every group and organization in the country. They do regional consultations after the AIT was signed and implemented. And if you look at what they've come up with since they had the AIT . . . because they look at, well what should we change, what should we amend, what should we exempt? How do we improve the operation of the AIT?

Only one group wants more liberalized trade. They've proposed that we should have legal enforcement mechanisms although the consensus was there should not be. We should trust our politicians. We should respect each other and mediate our disputes. We should operate as a political body making intelligent decisions, consulting with each other, and respecting each other rather than a confrontation and antagonistic approach of the legal enforcement process. But there was one group who wanted that. It was the business community. You don't believe me? Read the 10,000 presentations. You won't find any from unions, working people, community groups, environmental groups, municipalities, church groups. You won't find anything from people's organizations anywhere or local or municipal or any government below a provincial level who is asking for that, but the business community was.

If you look at the briefs that you've already heard and had been presented, it's the business community only that's supporting TILMA. If you look at who lobbied for it in BC and Alberta, you'll see it's only the business community. Why do you think that is? I mean that's empirical fact. If you want me to provide you with copies of every submission by every group in the last 20 years on trade, I will, but I doubt very much that you'd question what I'm saying because you know it's true. Business wants this. Well why do they want it? Do you think business wants it because they want to improve the environment and so on?

I handed out to you two documents. The market doesn't work. Every government of every political stripe in North America has commissions to look at improving labour standards. You can sigh, but it's fact. I presented to you two briefs that we presented. One was on the part-time commission. One was to the federal government which wasn't labour-friendly by the way. And you'll see that they decided, on part-time workers, on every labour standard, on the conditions of society they've appointed commissions — the federal Tories under Mulroney, under Liberal governments provincially and federally — appoint commissions to look at improving the quality of life and the rights of people in this country. On human rights codes, they do a review. On labour standards, they do a review. They do all of those reviews. And you know why they do them? Because the market fails. They say that in those commissions — read those reports. Okay.

We regulate because the market money profit doesn't result in improving the social, economic, and political lives of its

citizens. We have laws. You're elected to govern on behalf of the citizens. TILMA is only being sought by business. That makes me suspicious. That makes me really suspicious. It should make you really suspicious. Business wants to make money. They have the right to do that.

And you have a political choice. You have the right, you have the right to turn over governing to business if you want to. You have the right to take away the authority of municipalities — urban and rural — to govern if you want to. You have the right to take away the right of citizens to decide what kind of communities we want.

We don't want toxic waste. We don't want uranium on our doorstep. We don't want sexual predators living here. We don't want, we don't want, we don't want. Here's the quality of life that we want. And any business that doesn't support our moral and ethical views doesn't come to do business here.

Secondly, we believe that every citizen in this province — that is, the people — agree that it's okay to use the tax dollars that come out of their pockets to go to wherever it is, to make decisions which say, well we're going to return that back to you because we want to promote you over a multinational corporation. What's wrong with that? Like what is wrong with that? TILMA is against that.

Last comment. As a lawyer I can provide you with decisions from the Supreme Court of Canada. I'm sure if you ask a lawyer, they'll tell you what I'm about to tell you. When you are reading the words of a statute or a document like TILMA or the AIT and you get into a debate about the meaning of those words — do they mean this or do they mean that? — the Supreme Court of Canada, our Court of Appeal, most textbook writers, if you go to law school and listen to the professors, they'll tell you this. How you decide whether your interpretation or yours is correct is whether or not your interpretation fits with the overall purpose and intent, and I'm quoting, "does your interpretation fit with the overall purpose and intent of the statute?"

The overall purpose and intent of TILMA is to remove barriers to trade. TILMA defines everything as a barrier unless it's exempted. It is obliged by you under TILMA to review the exemptions for the purposes of removing barriers, not creating more. That's what TILMA says.

So when you're at the negotiating table, you're not negotiating in good faith if you're saying, hey I want more barriers. The other side is going to say, wait a minute, you signed a document that says well its intent is to remove them, so we want more removal of barriers. We don't want the creation of more. That's in TILMA. Yes, we don't have a lot of facts from its operation, but we can read, and we know what those words say.

So in conclusion, because I want this on the record, I've looked at who supports TILMA politically, that is, what political parties and organizations and groups support TILMA. I know what groups outside of the politicians do, and that's business. And I've noticed that in Saskatchewan the Sask Party supports TILMA. I don't know why, but that concerns me.

And you may not like this, but you know, truth speaks for itself,

okay. I've yet to hear a rationale for why you think that you have the right to sign a document that gives you the power to decide whether or not something is a trade barrier that should be exempted without our consent because that's what you support. And I would like you to answer, before you do anything, why. I'd like concrete examples why municipalities shouldn't be allowed to give their tax dollars back to the citizens there and give them preferential treatment on bidding on contracts because I can tell you there's probably 6,000 of those business people in Saskatchewan who won't support TILMA. And if they belong to the CFIB [Canadian Federation of Independent Business], then I don't know why they weren't consulted.

I was a businessman for 20 years in rural Saskatchewan. I'm a lawyer. I don't think that the CFIB position supports anything that rural Saskatchewan people want.

You haven't talked much about agriculture, but I can tell you that, on the basis of reading TILMA, agriculture is not exempted. And so I ask you this. I think that you have to ask whether or not, before you vote on this, whether or not crop insurance — which provides more coverage in the event of hail or loss in Saskatchewan than other jurisdictions — is a trade barrier. Is it exempted under TILMA or not? Do you know the answer to that question?

If you don't know the answer to that question right now, then it's irresponsible to even talk about signing TILMA. That's very dangerous. And the list of questions, that we can ask you on behalf of the farmers that happen to be our members, is lengthy, and I happen to know you don't know the answer to those questions.

But you've already decided you want to jump into the TILMA and support it. If you accept some of the facts, that bigger markets win under trade agreements, then what this really is, is turning over our investment, labour, and market to Alberta. That's what TILMA is, turning over investment, labour, and market to Alberta because they're the bigger market. And I don't know, but is it a coincidence that the only party in Saskatchewan that supports it had its fundraiser for its leader in that province?

I like Saskatchewan. We love Saskatchewan. We like the way it operates; there's nothing broken. We don't know what you're trying to fix, but we can tell you what we want to protect, and that is our right to be Saskatchewan. We don't want to be Alberta. We don't want to be governed by people who don't live here. We don't want people taking our tax dollars and spending them elsewhere. We think we have the right to say, you want to do business here, there's certain conditions. We don't want them to be called trade barriers. Thank you very much.

The Chair: — I'll take that as your closing statement, so we allow some time for questions and answers. We have on the list so far Mr. Weekes and Ms. Crofford.

Mr. Weekes: — Thank you, Mr. Kowalchuk. Just to clarify one thing, we have in front of us on our agenda that you're representing Retail, Wholesale and Department Store Union. You said that your union hasn't had a vote on TILMA; you don't have a position. So are you representing your union, or

are you representing yourself at these hearings?

Mr. Kowalchuk: — Well what I was trying to say is we didn't send out a ballot to all 6,000 members. Our membership votes through the democratic process. What I was trying to say is I don't speak for all 6,000 because all 6,000 I didn't talk to. But our union does oppose it.

Mr. Weekes: — So your union doesn't have an official position at this time.

Mr. Kowalchuk: — Our union opposes TILMA through the democratic process of voting, but we didn't do a mail-out ballot to all 6,000 members.

Mr. Weekes: — You had mentioned when you started speaking that union members, not necessarily the Retail, Wholesale and Department Store Union but unions in general, are the bulk of the employees that work dealing with trade in Canada. My question to you is, do you feel that NAFTA has been of benefit to the union movement?

Mr. Kowalchuk: — Well do you know who probably is the best person to answer that? George Bush.

Mr. Weekes: — Well I'm asking you; George Bush isn't here.

Mr. Kowalchuk: — Well I know, but I'll tell you what he'll say because I agree with him. Now what it did was it resulted in millions of layoffs and the transfer of hundreds and hundreds of billions of capital to the lowest market they could find, that is, in countries where there's very little labour standards, if any, where the wages are outrageously low so that they could exploit in some cases child labour. That's not beneficial to the labour movement.

Mr. Weekes: — Well my question is to unions in Canada concerning trade and given that NAFTA has increased the economic activity in Canada dramatically. Trade has increased. Exports have increased dramatically. And given that the union movement is a major player in exporting goods and services to the United States or to Mexico, I'm just asking you a question: do you feel that the union movement has benefited from NAFTA given the huge economic positive spinoffs of NAFTA?

Mr. Kowalchuk: — Well like I said, sir, the facts are not what you just said. I would like to see the numbers and where you're getting them from because George Bush says . . .

Mr. Weekes: — Well first thing, we're asking the questions here, and we'd like you to answer them.

Mr. Kowalchuk: — Okay well I again accept your . . .

Mr. Weekes: — You haven't given us any evidence or facts so . . .

Mr. Kowalchuk: — Sure I have. I just showed it to you.

Mr. Weekes: — I'd appreciate you giving us any of your research from your union or analysis of the effects of NAFTA.

Mr. Kowalchuk: — Sure I have.

Mr. Weekes: — And specifically the possible effects of TILMA . . .

Mr. Kowalchuk: — Did you read the documents?

Mr. Weekes: — On the trade, investment, and labour mobility and affect on the labour and job creation.

Mr. Kowalchuk: — Well I don't know if you read what I gave you. I asked you the question, all of you, is whether you think . . .

Mr. Weekes: — That's right. You're not here to ask questions. We're here to ask questions.

Mr. Kowalchuk: — Okay.

Mr. Weekes: — So I would like you to answer that question.

Mr. Kowalchuk: — Okay. The question . . .

Mr. Weekes: — And just give us the evidence now or later. You don't have to have it today, but at another point we'd appreciate it.

Mr. Kowalchuk: — Madam Chair, I think there's an argument going on here, but I don't mind. I'm a lawyer. I get paid for this. Sir, I'll repeat. I handed out a document to you. I indicated to you that this was the research of Oxfam. I indicated to you that Oxfam . . .

Mr. Weekes: — Well I'm asking you, you or your union movement. Oxfam, that's fine; we can put it in the file. But I'm asking you. Specifically we're talking about TILMA, so I'd like to see any research or analysis or studies that your union or you have that would support your argument.

Mr. Kowalchuk: — Okay. Well I, if I might, Madam Chair, the question began with whether NAFTA resulted in a benefit in a feeling of the labour movement. That was your original question, and I was saying to you . . .

Mr. Weekes: — Not the feeling. I meant statistics.

Mr. Kowalchuk: — Well okay.

Mr. Weekes: — Given NAFTA has created thousands of new jobs and hundreds of million of dollars of new economic activity and trade and export trade, my question to you is, has the union movement benefited from that trade and the jobs that it has created?

Mr. Kowalchuk: — Okay. As a citizen of the province who is currently in front of a committee, when you make a statement to me of something that you claim to be fact . . .

Mr. Weekes: — I'm asking you a question. I'm not making a statement.

Mr. Kowalchuk: — Let me answer it then, please. At least give me the respect, okay. My answer is this. I don't accept that my answer has to be based upon information which I don't have. It's unfair of you to make an assertion of fact and then ask

me a question which I don't know whether or not the facts are true.

What I will say to you . . . If I can answer the question, sir, please. What I can say to you is this. The facts that I've been made aware of, the facts that the labour movement's been made aware of in North America is that NAFTA has not been a benefit to the working class. It has not been a benefit to working people. It has been a benefit to certain rich corporations.

It has resulted in massive job loss because these rich multi-national corporations have transferred their work, in particular the manufacturing crisis. And I happen to know that you know this because you had a presentation from the Canadian Labour Congress about this, David Winter. That's facts. They moved their operations to a country like Nicaragua or somewhere else that's in the free trade zone, where they don't have to pay the wages that they have to pay here; where they don't have to be bound by the regulations which, say for example, you have to provide human rights. You can't discriminate. They go to the lowest place, and our union members end up unemployed.

And I'm telling you that George Bush saw that effect himself and was very upset about the fact that all of these big multi-national corporations under NAFTA were having the effect on the American economy of massive layoffs of unionized and non-unionized workers in order for them to go elsewhere and go to the lowest common denominator. Now I accept that at least on this issue, because it's supported by the research of the labour movement and Oxfam and others, that that's true.

So the answer to your question is based on the evidence I have. I don't agree that the premise that you put forward is true. And therefore the answer is no; there's no benefit that NAFTA has had to working people or poor people.

I'll raise this with you as well. Here's the last statistic . . .

Mr. Weekes: — Has your union members, union brothers and sisters, have they benefit from NAFTA's influence on the economic growth that has developed because of NAFTA in Canada, because of the additional economic growth, in additional export, in trade that has taken place? Those are facts. Now you've brought in a whole bunch of other areas, but I'm asking specifically about trade and export . . .

The Chair: — Well I think no matter how you're phrasing the question . . .

Mr. Weekes: — I'm not going to get an answer.

The Chair: — The presenter is saying he does not agree with the premise of your information that you're using for the basis of your question, and that the answer he's providing, now you've asked it a few different ways, is that no. And so, we'll move on to your next question or to the next . . .

Mr. Kowalchuk: — I can give him one more fact, Madam Chair. Since NAFTA the ratio of the gap between rich and poor in Canada has grown to the highest levels in its history. I can tell you that statistically since NAFTA the amount of

millionaires and billionaires has risen to the highest proportion in the world, as a population. And I can tell you that the bank statistics support that and indicate that since NAFTA the amount of people who've gotten rich and richer has increased, but the amount of people who have gotten poorer and poorer has increased dramatically. That's not an indication that NAFTA is a benefit to working people, sir.

Mr. Weekes: — Thank you. Just like to move on to . . . Before we move onto another subject, if you have any studies or analysis, we'd appreciate you giving them to the committee so that we could all see them.

Mr. Kowalchuk: — If you'd indicate to me of what, I'll see what I can do.

Mr. Weekes: — On anything that you brought up today in your presentation.

Mr. Kowalchuk: — Okay I'll start with George Bush.

Mr. Weekes: — I'd like to . . . There's been quite a discussion about the dispute mechanism and it's undemocratic, and there's a number of presentations to that effect. I guess my . . . Without going into debate, if you'll allow me just a little bit. I use the example of the Labour Relations Board. Well MLAs do not sit on the Labour Relations Board but the government of the day sets up the rules, conditions, and appointments.

And do you not agree that if duly elected governments set up a tribunal for a dispute mechanism on an agreement that's been passed by the legislatures or federal government, that why would you suggest — and other groups have suggested this — there'd be a loss of democratic rights in the country?

Mr. Kowalchuk: — Well it depends on what it is that you're going to argue over. If you're giving lawyers the right to argue over whether or not someone should be paid \$6 an hour as opposed to 5, that's a good thing. If you're giving us the right to decide however whether or not a municipality can use its tax dollars to promote local people in business, I don't think that that's properly before lawyers. I don't think that's properly before a trade tribunal. I don't think it's properly before the courts. I don't think that the issues that deal with how we as a society want to govern ourselves and if we want to promote certain moral standards that others don't agree with, that we should be turning over that decision-making process — at the pain of a fine of up to \$5 million — over to lawyers. To me it's confusing governance with regulation.

It's okay to assign the remedies of fines and jail to tribunals to enforce our society's morals. It's another thing to give them the power to decide whether we've got any or not and what they should be. We're free human beings, and I would think that it's best to respect our right to choose how we define our society that way, as opposed to giving it to a tribunal that's not accountable. That's the difference.

Here's the second thing, though, and to me this is critical. This is why I think personally — my legal opinion — that TILMA is a violation of the AIT. I have a copy of every one of the consultations that the AIT has done because it's required that they do that, and they've come to these conclusions. One of

them is, look we're trying to build a country. You don't build countries, you don't build a nation, you don't build communities by using violence or aggression or coercion. You do it by building understanding and co-operation. You do it by reaching a consensus. And if you have a dispute — and I have this as a quote in the paper that I will file with you tomorrow — we define what kind of society we are by how we resolve our disputes and our differences.

In most jurisdictions and in most laws, we've moved towards the model of mediation and conciliation as the way to resolve things — not punishment. We are abandoning that as a society. We're moving and advancing. If you read most statutes in Canada, you will see that that's how we are going. It's called alternate dispute resolution.

The AIT, which had every government represented at every level, reached a consensus and said, let's respect each other enough to work through the mediation process and the political process as opposed to the legal one. And that was the unanimous consensus of every political stripe that was present at the table and everyone was with the AIT.

TILMA says no. We don't want to respect that dispute resolution process. We want coercive process. We want confrontation. We want litigation with the right to up to \$5 million fines. That's how we want to deal with our differences. We don't want to have to work them out ourselves. Contracting out the democratic process . . .

Mr. Weekes: — I just want to pick up on that one. I hope I misunderstood this, but are you suggesting that signing TILMA would create an atmosphere that there would be violence and civil strife? Because that's what came across.

Mr. Kowalchuk: — You can try baiting me, but it won't succeed. I define violence as confrontation and antagonism as opposed to peace and reconciliation. And so when you hire two lawyers where the consequence is somebody being fined \$5 million, where you hire lawyers to argue positions which they're not accountable for, that's abuse of process. That's not peaceful resolution. And it's not, sir, what we call alternate dispute resolution.

Did you not want to hear my answer because, like, we've had this difficulty.

Mr. Weekes: — You're here to answer questions of the committee. And if you're done, leave if you like.

The Chair: — Excuse me. This is highly inappropriate for a committee member. The member presenting to us, you asked about punitive versus conciliatory mediation. He was answering that question, and this is an appropriate response to . . . [inaudible] . . . question.

Mr. Weekes: — I'd like to suggest . . . not suggest, tell the guest that he's here to answer questions, and we are here to listen and continue to answer the question. He doesn't need to make comments about whether a committee member is looking at a clock or having a brief discussion, which we do on a regular basis, while people are making presentations because we're also discussing about the next question.

Mr. Kowalchuk: — I apologize, sir. It's just that previously I had difficulty answering your question when you were paying attention. I just want to make sure . . .

Mr. Weekes: — Well again, you're making a presentation to the committee, so if you don't want to look over here, you can look over there.

The Chair: — I'll ask the member if he has any further questions.

Mr. Weekes: — None.

The Chair: — I'll go to the next questioner. Ms. Crofford.

Ms. Crofford: — My questions aren't nearly as exciting, but I want to know the answer. Lawyers, in the whole question of interprovincial mobility of labour, under TILMA would lawyers — even though I think they're normally required to have some familiarity with local laws in order to practise law in a particular jurisdiction — under TILMA would that requirement, if it is there, be there? Or would you just be all of a sudden granted the right to practise anywhere in Canada?

Mr. Kowalchuk: — That's not clear under TILMA. And the reason for that is because I'm not sure that the law societies have been consulted by the governments of Alberta and BC. I can tell you prior to TILMA that in certain areas of law, particularly labour, you're not required . . . you can practise across jurisdictions. There's a process that has been in place through co-operation where each province and Law Society will recognize your right to attend and appear on occasion — as an occasional appearance. But if you intended to practise full time in that jurisdiction, then you would have to write their exam.

Ms. Crofford: — Yes okay.

Mr. Kowalchuk: — And the exams are different. But what's important about that is, they're protecting an important social value, and that is in you're going to pay the money that you do to a lawyer. The lawyer should at least have some understanding of the law. And so one of the reasons why you have to write that exam is to indicate that you have at least read the statutes in that jurisdiction. So it's not a barrier to me practising law. It's in fact a way of ensuring that if I'm going to practice law in Alberta and I'm going to bill you for my time that I know what I'm doing to protect the integrity of practising law and the profession in Alberta, because the laws are different.

Ms. Crofford: — Yes of course that question wasn't just out of curiosity. I think one of the things we're struggling with is, are the labour mobility issues barriers or are they real reasons why there's some differences from jurisdiction to jurisdiction.

My second question is just clarification on how you arrived the 6 per cent figure for the CFIB because I was a bit surprised at the figure. I forget what it was — whether it was 85 per cent or something? But what we're talking about is a per cent of a per cent. Is that what it is?

Mr. Kowalchuk: — She indicated that there was 300, and let me just get this, so I don't misrepresent the numbers here. But

as I understand it, something around 340 people of 5,300 or close responded to her survey. And of that group, 80 per cent said they supported TILMA which would be around, you know, 240 people.

Ms. Crofford: — So as a per cent of a per cent.

Mr. Kowalchuk: — Yes.

Ms. Crofford: — Yes I just wanted to be clear about that to see how representative that was.

Mr. Kowalchuk: — Well I mean, there's another example if I might. She indicated that the regulations in Canada would cost something like \$33 billion or something like that, and it would cost Saskatchewan so on. I noticed yesterday you indicated well you know trying to register a business and all those forms and so on. The point is though that a lot of those regulations, they have nothing to do with trade or investment.

That number, I wouldn't mind you asking the CFIB to provide the statistics for that, because I understood it to be regulations, period. And some of the regulations you are required to fill out have an economic benefit. I practise as a businessman in Saskatchewan without having to be a business. But if I wanted tax breaks, then I'd have to incorporate. And so I don't think businesses would be opposed to having to fill out a form in order to get a tax break.

Ms. Crofford: — Well one of the things that the committee is doing is struggling ever towards facts, so I thank you for your presentation. I think just in the interests of time, I could have asked a bit more, but I'll leave it there.

The Chair: — The time has elapsed, so we would thank you very much for your presentation and move on to the next presenter who I see has arrived. Thank you.

Mr. Kowalchuk: — I apologize if I was a little too, you know, aggressive. This is an important issue, and I hope that you give us the respect as citizens to come back to us once you know the answers to the questions we're all asking here. Thank you.

Presenter: Saskatchewan College of Pharmacists

The Chair: — The next presenter we have with us today is the Saskatchewan College of Pharmacists, and Ray Joubert is the registrar. And we welcome you to committee. As with all presenters, we're asking for about 15 to 20 minutes of presentation, and then we'll open up for questions. I've been a bit lenient, so people could get all their information across, but if it gets a little bit longer, then I may go to questions and answers. But I thank you very much for your presentation and time before our committee.

Mr. Joubert: — Thank you. I certainly appreciate the opportunity to share our perspective as a regulatory body that has some experience with the impacts of trade agreements in this country. We are the governing body for the profession of pharmacy in Saskatchewan. The inside cover of our annual report that I'm tabling with you describes our vision, mission, and ends. And in that context you will recognize that our main mandate is public protection.

Like other professional governing bodies, we regulate people, namely pharmacists. However unlike other professional regulatory body, we also regulate places, namely pharmacies, and things, namely drugs — all of which serve to protect the public interests. Therefore we're interested in trade arrangements affecting mobility of workers, goods, and services.

On the topic of pharmacists, in response to the Agreement on Internal Trade, the profession across this country sponsored a national initiative to enhance the mobility of pharmacists across Canada. The main product of this initiative was the *Mutual Recognition Agreement for the Profession of Pharmacy in Canada*, and my presentation which is tabled with you gives the website address for that agreement if you're interested in examining it.

The outcome was reduced barriers to the registration and licensure of pharmacists coming into and leaving Saskatchewan. The signatory provinces under the MRA [Mutual Recognition Agreement] accept candidates for registration at equivalent levels of credentials without re-examination, and we only impose qualification requirements that are competency based and particular to Saskatchewan. For example we accept licensed pharmacists from other signatory provinces as licensed pharmacists in Saskatchewan subject to successful completion of an examination on Saskatchewan pharmacy law.

The membership table on page 5 of our annual report shows an increase of 108 practising pharmacists from 1,087 in 1999 to 1,195 in 2006. We have not scientifically studied the reasons for these increases; however we believe that they are due to normal growth and attrition factors. Therefore we cannot categorically state the impact of the Agreement on Internal Trade on the number of pharmacists practising in Saskatchewan. However we know that the reduction in registration and licensing barriers has reduced the administrative workload on our college.

Just anecdotally, until this year approximately 70 per cent of our graduating class from the University of Saskatchewan would leave to practise in other provinces, most commonly in Western Canada. For reasons that are not fully understood, this trend is reversed for the 2007 graduating class where the great majority, between 60 and 70 per cent we understand, are remaining in Saskatchewan. We have yet to determine whether this is the beginning of a trend that is sustainable, and we have yet to determine the impact of such a trend on our pharmacy human resources in this province. Therefore we conclude that the Agreement on Internal Trade has not adversely affected public safety in the provision of pharmacy services in Saskatchewan. The Mutual Recognition Agreement assures that pharmacists entering our province from other signatory provinces are as competent to practise as Saskatchewan pharmacists.

The Agreement on Internal Trade has resulted in greater harmonization and standardization of registration and licensing requirements across Canada. It has not led to reciprocity which within the most liberal interpretation of the meaning of this term is automatic recognition of one's credentials similar to the driver's licence model. We are concerned with such a

reciprocity concept because of the loss of jurisdiction we would have over pharmacists practising in Saskatchewan under licences issued by other jurisdictions without registering with our college. Therefore without robust legal authority, we could not impose upon them the same competency requirements expected from pharmacists registered with us nor could we effectively handle complaints and discipline.

Over 85 per cent of our revenue is derived from registration, membership, licence, and pharmacy permit fees. We estimate that between 10 and 15 per cent of our members are registered in other provinces. Therefore we might speculate that such a reciprocity model would eliminate the need for multiple registrations and adversely affect our college financially due to the loss of such licence and membership fees. This does not account for the financial impact that could arise if a preponderance of pharmacists chose to register in one jurisdiction regardless of whether they resided or practised there.

Regarding pharmacies, trade agreements do not seem to directly impact on a number of pharmacies establishing in this province. The requirements for establishing pharmacies are remarkably similar amongst all of the provinces. Of these, the most significant requirements are having a pharmacist who is in charge or manager of the pharmacy and having a pharmacist who is on duty at all times that the pharmacy is open to the public. Thus the opening, closure, and location of pharmacies is subject to normal marketplace factors including the supply of human resources, especially pharmacists.

The relationship between the two is an interesting question that we hope will be answered by the Moving Forward: Pharmacy Human Resources for the Future study led by the Canadian Pharmacists Association and more information can be viewed at the Internet address in my presentation.

And briefly a word about drugs. After Health Canada approves a drug for sale in Canada, including whether or not a prescription is required, the provinces have the jurisdiction to determine additional conditions of sale to the public.

Thus under a drug scheduling system where drugs are listed according to their conditions of sale, we have in Saskatchewan four categories of drugs. Schedule 1 is a listing of drugs that are available on prescription only. Schedule 2 is a listing of drugs that are available from a pharmacy only, from the pharmacist in a no-public-access area commonly referred to as behind-the-counter drugs. Schedule 3 are restricted to sale in pharmacy from the public access non-prescription area of the self-selection area of the pharmacy, and unscheduled drugs may be sold from any retail outlet, be it a pharmacy or non-pharmacy outlet.

Prior to the Agreement on Internal Trade, the profession led an initiative to harmonize the conditions of sale so that all drugs would be subject to the same conditions in every province. The result was the national model drug scheduling system administered by the National Association of Pharmacy Regulatory Authorities. And using a scientific objective and transparent process, NAPRA recommends conditions of sale for drugs to the provincial regulatory authorities. These provincial authorities almost always accept these recommendations

resulting in the large majority of drugs subject to the same conditions of sale in any province in Canada. Further information can be found by following the links at the NAPRA website in the address that is found in my presentation. Therefore the drug scheduling harmonization process is entirely compatible with the principles of the Agreement on Internal Trade.

To conclude, very little is conclusively known as far as we're concerned about the longer term impacts of trade arrangements on the supply and demand for pharmacists and pharmacies in Saskatchewan and on the conditions of sale for drugs. Our best evidence so far is anecdotal and not likely sufficiently reliable upon which to make sound decisions. At the very least it appears as though known arrangements such as the Agreement on Internal Trade have not adversely affected the public interest from the perspective of pharmacy services.

All of which is respectfully submitted, and I'd be happy to entertain questions.

The Chair: — Ms. Crofford and then Mr. Chisholm.

Ms. Crofford: — Well I thank you for this because you have raised a question that nobody else has raised, and I think is a really big question. But I'll kind of work my way through it.

We have a document here that we just got, although it looks like it has been around for a little while. But anyway it's a press release under the Trade and Investment, Labour Mobility Agreement that says "... joint professional credential requirements have been successfully negotiated for five professions (acupuncturists, chiropractors, occupational therapists ... and waste water ... operators ...) So this is the work that's going on not under AIT.

Now when I read that phrase "joint professional credential requirements," I wonder how that differs from the work that's taken place under AIT with your profession where you have a Mutual Recognition Agreement. What do you think would be the difference, or do you know what the difference is?

Mr. Joubert: — I don't think there are any if my understanding of what you've just cited is correct. Fundamentally under the AIT ... our Mutual Recognition Agreement, which is really a tool that we've established under the AIT, requires that we recognize the credentials of pharmacists from other jurisdictions without further examination, subject to any competency concerns we might have. And because pharmacy laws vary in each of the provinces, we impose an examination on pharmacy law in Saskatchewan.

So I think what that says is that we, like the groups cited in the press release, follow pretty much the same principles subject to additional competency requirements that are particular to the province.

Ms. Crofford: — Okay. The second thing is in the late — I don't know if it was the late-'80's — the mid- to late-'80s, there was a trend that started towards allowing professional associations to be more self-regulating, and it continued through the '90s to the point where I think we have 50 or more — I read it somewhere — self-regulated professions in Saskatchewan.

And I suspected that the issues you're raising for your self-regulated profession would be the same for all of them.

For example, if someone can automatically practise here without necessarily being connected with their professional association in the province, would you have jurisdiction as far as complaints or discipline, as I know the social workers do, the nurses do? I mean it's a long list of people who have that power. And also you mention the revenue derived from registration — membership, licence, and pharmacy permit fees. Do you know if other professional organizations are talking about these things or ...

Mr. Joubert: — Yes, I do. And we share basically the same concerns around our jurisdiction, our ability to exercise that jurisdiction in the public interest. And fundamentally trade arrangements that would put limits on that jurisdiction might be harmful or contrary to the public interest.

Ms. Crofford: — No, that's okay. Now if professional associations have this concern — and yours certainly does — how are you raising that concern? I mean you're here today, but not everybody has a forum like this to go to. So aside from this, how is that concern being raised?

Mr. Joubert: — Well the health professions have an informal organization called the network of interprofessional regulatory organizations which meets four times a year, so we share information fundamentally. And this would be a subject that could be shared at any one of the next meetings.

Prior to TILMA for example, we were consulted on the Agreement on Internal Trade. The labour mobility folks in Saskatchewan were very active in consulting with us as individual professional regulatory bodies. And I can recall several meetings of this NIRO [network of interprofessional regulatory organizations] group where they made presentations and heard from us. And indeed I believe at the time we even coordinated our efforts as 27 health professional regulatory bodies and submitted a common position.

So, so far with respect to trade arrangements that have been tabled, we have had the opportunity to provide some feedback.

Ms. Crofford: — Thank you and thank you for adding a real new question to the pile.

Mr. Joubert: — You're welcome.

The Chair: — Mr. Chisholm.

Mr. Chisholm: — Yes, good afternoon. I just was asking for a little more clarification when you were talking about your people that are registered in more than one province.

Mr. Joubert: — Yes.

Mr. Chisholm: — And is that people that are close to the border that practise on both sides, or who would be registered in more than one province?

Mr. Joubert: — That's the predominant example. Another example would be pharmacists, for example, who hold

management positions with chain operations that operate in more than one province, whereby they would have management responsibilities over pharmacy operations. They would sometimes be called upon to practise in those pharmacies in relief of pharmacists who were employed by those chains. And thirdly, the third group are those who simply want to ensure that their status in the province is sustained, so they take out a licence or retain an active membership in that province.

As I mentioned, we have a lot of Saskatchewan graduates who go to other provinces, and they will register with us and keep their registration for a number of years simply because they want to retain their privileges and have some sense of pride in the profession in Saskatchewan and want to remain connected even though they're residing and practising elsewhere.

Mr. Chisholm: — Further to that, then do you see anything in this agreement that is going to change that? The labour mobility, to me, is already there.

Mr. Joubert: — That's right.

Mr. Chisholm: — Through what you have accomplished as your own group. And I don't see anything in the agreement that specifically gets into fees of professional organizations. That's kind of your call, isn't it?

Mr. Joubert: — That's right. That's right. I think the short answer is the agreement, TILMA, appears to be redundant. In other words it wouldn't . . .

Mr. Chisholm: — In your situation.

Mr. Joubert: — In our situation it wouldn't impact us if it were implemented the way we interpret it. Now it's possible, I suppose, that under TILMA we would have a driver's licence model where there would be reciprocal arrangements for pharmacists across the three or four Western provinces such that a pharmacist could obtain a licence, let's say, in British Columbia and practise in any one of the four provinces without having to register in those three other provinces. And that could, you know, adversely affect us if a preponderance of pharmacists went to British Columbia because their fees were lower, for example.

Mr. Chisholm: — Right. Thank you.

Mr. Joubert: — Thank you.

Hon. Mr. Yates: — Thank you very much, Madam Chair. I have two or three questions, but I'd like to start out in an area again about the labour mobility issue, I guess, because in the actual TILMA documents pharmacists are listed as one of the groups that are seen as a barrier. And in your presentation you say it's something that's been worked out through the AIT. Is this just simply a timing issue and, you know, it's been done and not removed, or do we not have . . .

You see, one of the things that's very difficult for us when you're looking at the TILMA agreement is that there's as many questions, or perhaps twice as many questions as there are actual facts or real information that you can say is in fact, fact. Because my understanding as well was . . . and when I looked

at the AIT agreement that pharmacists was one of the groups that was satisfied but it appears under TILMA as one of those that isn't. There are four or five other groups that appear under the TILMA arrangements that under AIT are believed to be satisfied as well.

So I'm just trying, you know, I don't know if it's a transition in time and when the original documents were put together and some things were concluded after or what point in, you know, negotiations. It just may be when the information was put into the different processes. But clearly today, it shows in TILMA that pharmacists is one of those groups with the barriers.

Mr. Joubert: — Well not to confuse pharmacists with pharmacies, to begin with, I don't think it's a timing issue. I think it's simply a misunderstanding of what's happening out there.

We've worked very hard under the Agreement on Internal Trade to ensure that we work towards harmonizing our registration and licensing requirements such that pharmacists can register in the provinces, move from one province to the other with a minimal amount of barriers. As a matter of fact, our Mutual Recognition Agreement says that the first qualification for a pharmacist in Canada is successful completion of a national qualifying exam. Once you have that national exam, that credential, that's basically your ticket to enter any province in Canada.

After that, we can impose competency requirements that are specific to our jurisdiction. And because our pharmacy laws are different than the pharmacy laws in other provinces, we impose a jurisprudence examination. And you can call that a barrier, but it's . . . For the candidate entering Saskatchewan, it's no more than simply having a look at our legislation, our professional guidances, our policy statements, and so on, becoming familiar with how we, as a college, operate in Saskatchewan, and then being familiar, examined on that. And once you're examined, you pay the fees and submit to other paperwork, and you're registered and licensed.

Hon. Mr. Yates: — Thank you very much for your answer. And that may well be the case, and that may well be the case why there are so many occupations that are seen to still have to be resolved. It could be relatively simple issues. But I was just wondering, was the first time we've had somebody from one of the groups that sort of appears to be resolved in one and not on the other list. So I thought it was an opportunity to ask.

Secondly, talking about . . . the AIT and the TILMA are vastly different trade agreements. I think the principles they're trying to obtain are the same, but they are a complete reverse onus, right? One is that through negotiation and co-operation between all ten provinces and three territories, you try to reach agreement and move forward. The other is basically if you don't reach agreement, you move to the standard which is less intrusive and less costly to business and to trade, mobility, and the issues that the agreement's about.

Now under the AIT, you're very comfortable with the movement ahead. But under TILMA . . . and we don't know the answer for sure. But in various presentations, it's been anticipated that one of the things that TILMA will try to achieve

— and we truly don't know the answer to all of these questions yet — is that you will be able to operate multi-jurisdictionally with a single licence. So that if you were a stockbroker or a pharmacist or whatever in a jurisdiction, that you'd only need a single licence to operate, which would affect or could potentially affect a large number of organizations, professional organizations and their fundings within provinces. Now I want to stress we don't know the answer for sure because we've had presentations saying that that's the intent, but we really don't know.

Do you think . . . And this leads me to this; we're always going to have trade agreements. We're always going to have to have structures which help us operate. To date in Canada we've taken it Canada-wide, a pan-Canadian approach to trade agreements. We're now looking at what I will classify as a regional agreement between two provinces, which we're being asked whether we should participate in it. Is your organization's view that we should continue to . . . Well is the view that a pan-Canadian approach is better, or we should look at regional approaches to agreements? And do regional approaches to agreements cause other difficulties in organizations because of course it only covers parts of it?

Mr. Joubert: — That's right. I think the short answer would be that, yes we would favour a pan-Canadian approach where national standards would exist and where, as an example, the Agreement on Internal Trade, chapter 7 in particular, we have subscribed to following a set of national standards and national principles. So that it's clear across this country when people subscribe to the Agreement on Internal Trade that that the mobility provisions there under, all follow the same standards and provisions. So yes a pan-Canadian approach is preferable from our perspective.

And I guess a selfish reason would be is that we've already established a very credible national examination credentialing and examination qualification process which fundamentally is standardized against the competencies of pharmacists from across Canada. So we would want to see a system that doesn't weaken or contradict this national qualification and credentialing system hence a pan-Canadian approach is preferable.

Hon. Mr. Yates: — Thank you very much.

The Chair: — I'm making eye contact with committee members. Are there further questions? If not I, like others, are saying we really do thank you. It's important for us to hear perspectives from all organizations in our province on not only the TILMA agreement, but we were charged with the responsibility of looking at trade agreements. And you've given us a perspective from the professional organization point of view which has not come before us until now. So we thank you very much.

Mr. Joubert: — My pleasure.

The Chair: — We wish you well in your further deliberations.

Mr. Joubert: — Thank you.

The Chair: — And wish you safe travel. Thank you.

Mr. Joubert: — Thank you, same to you. Bye for now.

The Chair: — Committee members, we — tomorrow, Friday — have scheduled our agenda differently than first contemplated so that we could look at our last presenter at noon. We are starting at 9, and our last presenter would be at noon tomorrow.

And I think at the end of that we were going to, say for this week, to look at the list of questions that we might want to have our committee Clerk give to representation from Alberta and British Columbia so that they could do some technical work on those questions in advance of coming before us. But we also probably have lists of questions that we want as individual committee members to ask, and that doesn't preclude that.

So I guess before we adjourn, I would ask for question and comment on the agenda so far, and the work that's before us to wrap up this week. Mr. Iwanchuk.

Mr. Iwanchuk: — Are we going to have Friday's agenda? Or do we know who's . . .

The Chair: — We wrap up at noon. I'll . . .

Ms. Crofford: — No we don't wrap up at noon. We have our last presenter at noon.

The Chair: — That's right. Well our last presenter is at noon. So 9 a.m. the Saskatchewan Union of Nurses; 9:45, Saskatchewan Association of Human Rights and Spring Free from Racism; 10:30, Saskatchewan Government Employees Union; 11:15, the city of Regina represented by the mayor and their city solicitor, and barrister and solicitor. And then at noon we have the Regina Chamber of Commerce with John Hopkins appearing before us as the chief executive officer.

Hon. Mr. Yates: — Do we know what time we'll wrap up tomorrow?

The Chair: — I'm assuming . . . I'm going to try — there is no break scheduled there — but I am going to try after the 9:45 presenter to have about 5 minutes break again just to allow members a stretch. And I would assume that it would be fair to say we could be wrapped up completely by 1. Would that be a fair assumption that committee members would make?

Maybe if we would have first thing in the morning a list of the questions that we've already compiled — and you can have a chance to look at them during the morning — we can have just a brief discussion of what's to be added or taken away from that list. Yes, Ms. Crofford.

Ms. Crofford: — Yes. No matter what happens tomorrow morning, I've got to be done by 12:45 because I have a commitment at 1 that is a standing commitment, and I just can't change it. It's a whole room full of seniors waiting for me once a week so . . . The other . . . And that becomes more difficult to say now that I am one. But anyway, the other thing is that I therefore can't be around to comment on the questions. So if we have that sheet or you can email it to us, we can just put comments right on it and send it back to you.

The Chair: — Well if we have it first thing tomorrow morning.

Ms. Crofford: — Yes, well if we have it first thing, it should be okay.

The Chair: — You could do that and then pass it to me and when we're doing that final look . . . if that's all right with you?

Ms. Crofford: — Yes, I'll just have to trust the rest of you. Yes. That's good.

The Chair: — Mr. Weekes and then Mr. Chisholm.

Mr. Weekes: — Thank you. I'm just making a comment. We have another week of hearings so we have lots of opportunity . . .

The Chair: — To make further additions and revisions.

Mr. Weekes: — To revise those questions as well. Yes. Yes.

The Chair: — I just think if we can get them to them as soon as possible through emailing or whatever, they have more time to prepare and know what the interest of the committee would be. Mr. Chisholm.

Mr. Chisholm: — I just wondered how are you planning to categorize the questions? Are they going to be just kind of as they've come up? Are they . . . Okay just so they'll be all over . . . [inaudible interjection] . . . No, I'm just wondering if they were going to be based on questions that have come up to do with labour mobility? Or questions that have come up to do with trade? Or questions that have come up to do with . . .

The Chair: — Michel, how have you got that list to date?

Mr. Chisholm: — I was just wondering how you were . . .

Mr. Weekes: — Are you looking to give Michel more work?

Mr. Chisholm: — No, no.

Mr. Carpentier: — Right now I've got eight questions, and they've been questions that have been raised over the course of the last three days. And there has been some similarity in questions, but I haven't separated them based on different subject matters.

Mr. Chisholm: — Okay.

Mr. Carpentier: — I could do that tonight. They're already drafted.

Mr. Chisholm: — I thought maybe there was 123 questions.

Mr. Carpentier: — So it's a matter of updating them tonight. It's just a matter of updating them from today's hearing.

Mr. Chisholm: — Right.

Mr. Carpentier: — But if you would like them categorized . . .

The Chair: — If they do fit into categories, the best of your

ability and then you could leave the remainder at the bottom that we could either slot into those categories, or you know if . . . We'll see based on how you've worded them whether it's capturing our thoughts on them. And we'll do that each week before they come. Mr. Weekes.

Mr. Weekes: — Michel, did you say there's eight questions?

Mr. Carpentier: — Just thus far, eight questions that you've identified as being needed answers from the BC and Alberta delegation.

Mr. Weekes: — I would just assume there'd be a lot more than eight that was raised.

The Chair: — Well get your lists ready this evening. That's your homework because that's where we'll have the chance tomorrow to add or to see if how . . . I guess what Michel's saying he's listened to some of the questions, and he may have worded them so that they would cover a number of questions that have been asked individually as they came up, but it may not. So pull yours out for tonight, your homework, and bring them tomorrow, and that's what we'll do before we leave tomorrow. Don't tell Michel right now about the additional 39 that you have because that might scare him away for the weekend.

All right. So then I would ask that the committee would put forward a motion of adjournment. Moved by Mr. Weekes. All those in favour? Opposed? Carried.

[The committee adjourned at 16:26.]