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Minister for International Trade

Ministre du Commerce International

Ottawa, Canada K1A 0G2

House of Commons

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HONOURABLE STEPHEN
KAKFWI'S OFFICE

cc SArgm
May 5/95

The Right Honourable Jean Chrétien, P.C., M.P.
Prime Minister
House of Commons
Room 309-9
Ottawa, Ontario
K1A 0A6

Dear Prime Minister:

I am writing to alert you to a brewing trade dispute with the European Union on a sensitive issue.

The European Union will, by the end of the year, ban the import of wild fur and products from countries which do not prohibit the use of the leghold trap and do not implement international humane trapping standards. These conditions cannot be met, by Canada or other fur producing countries such as the U.S. or Russia. An international standard does not yet exist. Moreover, the regulation of trapping in Canada involves more than 600 provincial, territorial and aboriginal jurisdictions.

A European ban on wild fur imports would have severely negative effects on both the fur garment industry, largely based in Montreal, and trappers, many of whom are aboriginals located in isolated communities. Europe is an essential part international fur trade, both buying furs and developing the fashions used world-wide. The fur industry contributes several hundred million dollars to the Canadian Gross Domestic Product.

In an ultimate effort to find a negotiated solution to this problem, I am writing to Sir Leon Brittan, the EU Trade Commissioner, proposing that the EU delay the import prohibition while a satisfactory trapping standard is negotiated between Canada, the EU, the U.S. and Russia. I also intend to request the new Director General of the World Trade Organization (WTO), Mr. Renato Ruggiero, to use his good offices to persuade the EU to accept this proposal and avoid a WTO trade dispute on a controversial issue.

Handwritten notes on the left margin, including "cc SArgm", "May 5/95", and various illegible scribbles.

LEGISLATIVE COUNCIL
JUN 20 1995
Yellowknife, N.W.T.

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However, unless the EU accepts this proposal by the end of May, I intend to trigger WTO dispute settlement procedures. This would initially involve intergovernmental consultations to be followed, if necessary by adjudication by a panel of experts. The WTO action is intended to add pressure on the EU to seek a negotiated solution but also to signal clearly that we will not accept unilateral trade restrictions disguised as environmental measures.

The fur industry, provincial and territorial governments, as well as aboriginal groups, expect the government to take the necessary action to defend their legitimate trade interests, including through WTO dispute settlement procedures. The Ministers of the Environment and of Indian Affairs and Northern Development also support this course of action.

However, fur trapping is an emotional issue. Initiation of the WTO process may provide European environmental and animal welfare groups with a public relations issue which could impinge upon Canada's image. Many of these groups are also suspicious of the WTO, an organization which many feel is inimical to environmental interests. While I believe that we have a strong environmental and trade argument, the issue will nevertheless be controversial.

I will keep you informed of the progress on this issue.

Yours sincerely,



Roy MacLaren

cc. The Honourable André Ouellet, P.C., M.P.
The Honourable Sheila Copps, P.C., M.P.
The Honourable Ron Irwin, P.C., M.P.
The Honourable Ethel Blondin-Andrew, P.C., M.P.

Ministers to fight European fur ban

AARON DERPEL
THE GAZETTE

First it was the turbot feud. Now Canada is bracing for a new fight - this time with Europe over the sale of fur.

Canada, the United States and Russia are mobilizing to prevent the European Commission from banning fur imported into Europe from those countries. Federal Environment Minister Sheila Copps said yesterday.

At issue is the leghold trap, which is used widely in Canada, the U.S. and Russia. The European Commission considers the trap inhumane because it doesn't kill an animal instantly.

The commission is to decide next month whether to adopt a regulation barring the import of fur trapped in that device.

"The European Commission has been moving more aggressively to embracing only domestically bred fur," Copps said in a telephone news conference from Haines Junction in the Yukon, after a meeting with her provincial counterparts.

"They have got a rather devious definition of what constitutes a humane trap," Copps added. "It's more humane to keep an animal in a cage for its lifetime and then kill it off than it is to let an animal run free and kill it off in the last 24 hours of its life."

An animal caught in a leghold

trap lives in the wilderness for about eight to 24 hours before the hunter returns to kill it.

The environment ministers unanimously agreed to send "a strong message" to the Council of European Ministers of the Environment on the fur issue. Canadian and U.S. officials are to meet next week to draft a proposal for an "acceptable humane trap," Copps said.

Copps and the provincial environment ministers also discussed proposed standards for cleaner vehicles and fuels, marine pollution prevention and possible tax incentives for recycling.

But the ministers failed to agree on a harmonization plan to reduce overlap and duplication among federal and provincial programs. Quebec Environment Minister Jacques Brassard boycotted the meeting, saying in a letter he didn't expect "the federal government to seriously pursue discussions with the provinces about the harmonization initiative."

Copps said Ottawa also objected to the plan because it would limit its role in environmental assessment.

"This is about the public national interest and the necessity to ensure that you have the levers in place to have a national perspective on environmental assessment," Copps said.

The harmonization plan will come up for discussion again when the ministers meet in October.

