

Canada - Europe
Parliamentary Association



Association parlementaire
Canada - Europe

**Report of the Canadian Parliamentary Delegation
respecting its participation at the 34th Annual
Interparliamentary Meeting with the European Parliament's
Delegation for relations with Canada and the Parliamentary
Mission to Denmark, the next country to hold the rotating
Presidency of the Council of the European Union**

**Canada-Europe Parliamentary Association
Strasbourg, France and Copenhagen, Denmark
September 10 to 17, 2011**

Report

INTRODUCTION

From September 10 to September 17, 2011, a delegation of five parliamentarians travelled to Strasbourg, France to participate in the 34th Annual Inter-parliamentary Meeting between the Canada Europe Parliamentary Association and the European Parliament's Delegation for Relations with Canada and to Copenhagen, Denmark, for meetings related to Denmark's upcoming term as rotating President of the Council of the European Union (EU). The delegation was led by Mr. David Tilson, Member of Parliament (M.P.) and President of the Canada-Europe Parliamentary Association (CEPA), and included the Honourable Senator Joan Fraser, the Honourable Senator Michel Rivard, and Dr. James Lunney, M.P. Member of Parliament. Mr. Scott Simms, M.P. joined the delegation for meetings in Denmark. The delegation was also accompanied by Mr. Philippe Méla, Secretary from the International and Inter-parliamentary Affairs Directorate of the Parliament of Canada and Ms. Karin Phillips, Advisor from the Library of Parliament.

In preparation for its meetings, members of the delegation were briefed prior to departure by officials from the Department of Foreign Affairs and International Trade (DFAIT); the Department of National Defence (DND) and the Canadian Forces (CF); Department of Finance Canada; and Natural Resources Canada (NRCAN). While in Strasbourg, France, the delegation was accompanied by Alain Hausser and Nichola Payne from the Mission of Canada to the European Union. The delegation was accompanied by Peter Lundy, Ambassador of Canada to the Kingdom of Denmark, as well as other officials from the Embassy of Canada to Denmark, including Ms. Kim Girtel and Ms. Danielle Sabourin, during their meetings in Copenhagen.

This report provides an overview of the delegation's participation in the 34th Annual Inter-parliamentary meeting between the Canadian Parliament and the European Parliament, as well as meetings attended in Copenhagen focussing on Denmark's Presidency of the Council of the European Union (EU).

34TH ANNUAL INTER-PARLIAMENTARY MEETING BETWEEN THE CANADIAN PARLIAMENT AND THE EUROPEAN PARLIAMENT

The 34th Annual Inter-Parliamentary Meeting between the Canadian Parliament and the European Parliament was hosted in Strasbourg, France by Philip Bradbourn, President of the European Parliament's Delegation for Relations with Canada (DRC). Meetings were attended by other Members of the European Parliament (MEP), including vice-chairs of the DRC, Mr. Wolf Klinz and Mrs. Elizabeth Jeggle, and the delegation's Secretary, Ms. Morag Donaldson. Five main topics of mutual interest had been selected in advance for debate, including: the political situation in Canada and the EU, including a discussion focussing on negotiations towards a Canada-EU Comprehensive

Economic and Trade Agreement (CETA) and a Political Framework Agreement; the financial crisis; immigration; energy supply and security; and international security. A member from each delegation was selected to lead the discussion on a particular topic, which was then followed by an open discussion.

A. Briefing Session

Prior to the beginning of the inter-parliamentary meeting, the delegation was briefed by Alain Hausser and Nichola Payne from the Mission of Canada to the European Union. Mr. Hausser provided an overview of the proposed Political Framework Agreement between Canada and the EU. Mr. Hausser indicated that a political agreement was originally proposed by the EU because there was concern that the European Parliament would not ratify CETA without such an agreement. While Canada was initially cautious about negotiating a legally binding political agreement, it was eventually agreed to by Cabinet in July 2011. From the Canadian perspective, this agreement is seen as potentially valuable foreign policy tool that would open doors in international fora. Mr. Hausser noted that Canada was seeking a short but substantive agreement that would be negotiated by a senior Canadian diplomat, Ambassador Alexandra Bugailiskis. The discussion then focused on on-going challenges in Canada-EU relations, including visas and the oil sands. Mr. Hausser articulated that Canada's re-imposition of visas on the Czech Republic remained an emotional issue for the country, though both sides acknowledge the need to address the factors underlying the high number of refugee claimants arriving in Canada from the Czech Republic. Mr. Hausser indicated that discussions regarding the application of the EU's Fuel Quality Directive¹ to Canadian oil sands were ongoing. The Government of Canada is currently working with the EU to examine the scientific evidence regarding the life cycle greenhouse gas emission of the oil sands. Finally, the briefing concluded with a discussion of the European sovereign debt crisis². Mr. Hausser articulated that while no one could predict the outcome of the crisis, he informed the delegation that discussions in Europe were focussing on deepening integration to address the weaknesses of the monetary union, rather abandonment of the Eurozone³ and the European project.

¹ The EU is moving towards implementing "Fuel Quality Directive", which introduces a binding target for 2020 of reducing by 6% the life cycle greenhouse gas emissions from the energy supplied from a variety of sources, including oil sands. European Union, "Fuel Quality Directive," Press release, 17 December 2008, <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/800&format=HTML&aged=1&language=EN&guiLanguage=en>

² Beginning in 2009 and following higher fiscal spending during the financial and economic crisis that started in 2008, concerns about the sustainability of debt-to-GDP ratios in several European countries, most notably Greece, Ireland, Spain and Portugal, led to what is being called the "sovereign debt crisis" in Europe.

³ The "Eurozone" refers to EU Member States who have adopted the Euro as their currency, including: Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Greece, Slovenia, Cyprus, Malta, Slovakia, and Estonia.

B. First Session of the Inter-parliamentary Meeting: Political Situation in Canada and the European Union

The first session of the 34th Annual Inter-parliamentary Meeting focused on the political situation in Canada and the European Union, including negotiations towards the Canada-EU Comprehensive Economic and Trade Agreement (CETA), as well as the Political Framework Agreement. Senator Joan Fraser led the discussion on behalf of the Canadian delegation and focused on three topics that were likely to be on Parliament's agenda in the fall, including the justice omnibus bill, Senate reform, and balancing the budget. Senator Fraser further commented that with respect to key items in Canada-EU relations, including CETA and the Political Framework Agreement, little was known both among parliamentarians, as well as the general public regarding these agreements, which could be cause for future concern. Senator Fraser then provided an overview of the impact of the results of the 2011 General Election on federal opposition parties. Despite the weakened support for the Bloc Québécois, Senator Fraser indicated that separatist sentiment in Quebec could still possibly be galvanized under the right conditions.

Mr. Ioannis Kasoulides, MEP and European Parliament Rapporteur on the Canada-EU Political Framework Agreement, provided an overview of the proposed Political Framework Agreement. He indicated that the EU requires that all of its trade agreements be supplemented with political agreements that focus on common values, including democracy; human rights and the rule of law. The aim of these political agreements is to promote cooperation on these issues in multilateral institutions with like minded partners. Currently, the EU is pursuing similar agreements with Australia, Indonesia and India. With respect to the agreement with Canada, Mr. Kasoulides indicated there was a need for such an agreement for due to the fact that the 1976 Framework Agreement for Commercial and Economic Cooperation was now out of date as a result of the new CETA agreement. According to Mr. Kasoulides, the Political Framework Agreement would serve as an umbrella agreement and could include everything from labour to immigration, provided there is no overlap with CETA. Anne Marchal, from the European Union's External Action Service, further indicated that the aim of the agreement was to put into words what already existed in practice and create a platform that would enable cooperation between the two sides. Ms. Marchal further indicated that three rounds of negotiations had already been planned before the end of 2011 and the agreement would have to be ratified by the European Parliament. The discussion then focused on the extent to which Parliaments on both sides of the Atlantic were informed and consulted regarding this pending agreement.

Finally, the Chairman of the Committee on International Trade of the European Parliament, Vital Moreira introduced the topic of CETA, outlining the role of the European Parliament in ratifying the agreement. European Commission's Director General of Trade and deputy negotiator of CETA then gave an overview of the state of play of the trade negotiations. He indicated that negotiations had been quick on the text of the agreement and were now focussed on the more challenging issues related to market access for goods and services. Key challenges included European rules of origin for agricultural products; improving access to sub-federal government

procurement in Canada for European companies; and dispute resolution mechanisms. Canadian parliamentarians raised the issue of the European Parliament's 8 June 2011 resolution on Canada-EU trade relations⁴ in which several issues were raised, including the seal hunt; the Fuel Quality Directive; and the mining of asbestos in Canada. Canadian parliamentarians wondered whether these issues would impact either negotiations or the ratification of CETA. He indicated that these issues may not directly affect negotiations. However, he noted that the European Commission may have to seek compromises with the European Parliament on some issues to ensure ratification of the agreement.

C. Second Session of the Inter-Parliamentary Meeting: Responses to the Financial Crisis

Dr. Wolf Klinz, MEP and Chair of the European Parliament's Special Committee on the Financial Crisis, began the second session with an overview of his committee's findings and conclusions. Dr. Klinz outlined how a debt and monetary crisis had transformed into a confidence crisis in the EU. Mr. Klinz explained that the European debt crisis resulted from several factors. First, joining the Eurozone did not result in economic convergence for countries like Greece. According to Dr. Klinz, membership in the Eurozone allowed countries like Greece to borrow at low interest rates and use these funds for consumption rather than investing. Second, EU Member States did not adhere to the Maastricht Criteria of maintaining a 3% deficit-to-Gross Domestic Product ratio and a national public debt not exceeding 60% of GDP. Third, the monetary union was implemented without deeper policy integration measures to support the common currency. Dr. Klinz's Special Committee therefore concluded that deeper European integration was necessary focusing on identifying ways to ensure compliance with the Maastricht Criteria, such as a system of sanctions and incentives to ensure that government debts remain low.

Dr. James Lunney, M.P. led the discussion on behalf of the Canadian delegation by providing an overview of Canada's current financial situation, indicating that the country's debt to GDP ratio was at 34% and was expected to decline to 29% by 2014, if things remained on their current track. Dr. Lunney then outlined stimulus measures in the Government of Canada's Economic Action Plan, such as extended Employment Insurance measures; work sharing programs; the Home Renovation Tax Credit; the Green Energy Transformation Fund; and the Knowledge Infrastructure Program. He further indicated that the Government of Canada was undertaking a strategic and operating review in order to reduce its expenditures. Dr. Lunney then outlined the key risks still facing the Canadian economy, including weak US economic growth, high levels of domestic household debt, and low growth and the sovereign debt crisis in Europe. Dr. Lunney then provided an overview of the impact of recent economic challenges on Canada's Equalization Payment Program.

⁴ European Parliament, "EU-Canada trade relations," European Parliament resolution of 8 June 2011 on EU-Canada trade relations," 8 June, 2011, <http://www.europarl.europa.eu/document/activities/cont/201106/20110609ATT21080/20110609ATT21080EN.pdf>

D. Third Session of the Inter-Parliamentary Meeting: Immigration

Mr. Ioan Enciu, MEP, began the discussion on immigration with an overview of the EU's involvement in Roma issues. Though the integration of the Roma people remains a responsibility of Member States, the European Union became actively involved in 2010 through the development of an EU strategy for the social and economic integration of the Roma in Europe. The strategy identified the need to address all aspects of Roma deprivation, including low educational attainment, labour market barriers, segregation in housing and poor health outcomes. From Mr. Enciu's perspective, the EU strategy needs to take a community-based approach to Roma integration, as well as ensure that the Roma population are actively consulted both in its development and implementation.

Mr. Tilson, M.P, led the immigration discussion on behalf of the Canadian delegation, focussing in particular on challenges to Canada's inland refugee protection system, including increases in the number of those seeking asylum in Canada; administrative delays in Canada's refugee processing system; and recent spontaneous large-scale arrival of refugees by ship. Mr. Tilson outlined some of the measures that the Government of Canada had introduced to address these challenges, including the *Balanced Refugee Reform Act*⁵, aimed at accelerating the processing of asylum claims. In addition, Mr. Tilson described the main provisions of Bill C-4, *Preventing Human Smugglers from Abusing Canada's Immigration System Act*⁶, which introduces a detention regime for irregular arrivals, as well as increases penalties for human smugglers. Mr. Tilson concluded by highlighting Canada-EU cooperation in addressing immigration and refugee issues, as well as Canada's ongoing interest in the EU's efforts to promote the social and economic integration of the Roma.

E. Fourth Session of the Inter-Parliamentary Meeting: Energy Security and Supply

Mr. Krisjanis Karins, MEP, began the discussion on energy security and supply by providing an overview of the EU's 20/20/20 Strategy, which calls for a 20 percent reduction in greenhouse gas (GHG) emissions by 2020 compared with 1990 levels, a 20 percent cut in energy consumption through improved energy efficiency by 2020 and a 20 percent increase in the use of renewable energy by 2020. Mr. Karins explained that the EU's energy strategy was driven by environmental concerns and political instability of the EU's main energy source countries. In particular, Mr. Karins outlined the how conflicts between Russia and Ukraine had impacted the EU's gas supply and therefore, the EU was looking for other partners and focussing on the Nabuko pipeline through Central Asia.

Senator Michel Rivard led the discussion on energy security and supply on behalf of the Canadian delegation and began with providing an overview of Canada's main energy resources and policy framework. He then highlighted Canada-EU cooperation in energy security through the High Level Energy Dialogue. He focussed in particular on nuclear

⁵ Title of the Act is: *An Act to Amend the Immigration and Refugee Protection Act and the Federal Courts Act.*

⁶ The full title of Bill C-4 is *An Act to amend the Immigration and Refugee Protection Act, the Balanced Refugee Reform and the Marine Transportation Security Act.*

energy and challenges associated with the oil sands and the implementation of the EU's Fuel Quality Directive. Senator Rivard also raised several questions about shale gas in Europe and whether there were any challenges associated with its development.

The discussion then focused on debates surrounding the oil sands. Mr. Sean Kelly, MEP, said that Europe was disadvantaged by its ideological position against the oil sands, pointing out that it was more willing to trade oil with regimes with poor human rights records. Mr. Kelly further indicated that Canada had to make greater efforts to counter the arguments of environmental Non-Governmental Organizations (NGOs) by providing independent scientific assessments to further its interests in this area. Mrs. Anatoniya Parvanova, MEP, pointed out that Canada could also make greater efforts to explore renewable energies such as hydro and wind and the country would make a good partner for the EU in these areas. She noted that reform did not need to begin once the resources ran out. Senator Fraser also pointed out that there was not complete unanimity on the oil sands amongst political parties in Canada. She noted that while all parties recognized the oil sands as a precious resource, the pace of development could be seen as outstripping the pace of research and development. Furthermore, the use of water also remained a concern in the development of the oil sands.

F. Fifth Session of the Inter-Parliamentary Meeting: International Security

Mr. Tilson led the discussion on international security, focusing in particular on Canada's involvement in Afghanistan and Libya. After discussing the 10th Anniversary of the September 11th terrorist attacks on the United States, Mr. Tilson provided an overview of Canada-EU cooperation in the area of international security, including Canada's participation in EU crisis management operations in Afghanistan, the Palestinian Territories and Kosovo. He then explained how Canada is moving towards a non-combat role in Afghanistan that will focus on the training of the Afghan National Security Forces, as well as on development priorities such as: the health and education of Afghan children and youth; rule of law; and regional diplomacy. Mr. Tilson then outlined Canadian involvement in the NATO-led mission in Libya in support of UN Resolutions 1970 and 1973.⁷ Finally, Mr. Tilson highlighted increased funding provided by the Government of Canada to the military through the Department of National Defence and the Canadian Forces' *Canada First Defence Strategy*, a strategy aimed at the modernization of the Canadian Forces⁸.

- Dr. Charles Tannock, MEP and Vice-president of the NATO Parliamentary Assembly, provided an overview of NATO-EU relations. Dr. Tannock articulated that while NATO had been successful in its military interventions, it was evident that NATO was not as effective at post-conflict reconstruction or "hearts and

⁷ In February 2011, the Qadhafi regime in Libya responded violently to peaceful protests for political reforms. In response, the United Nations (UN) Security Council passed resolutions 1970 and 1973 that provided the legal framework for the imposition of sanctions, an arms embargo, a no-fly zone and the use of "all necessary means" to protect civilians in Libya against attacks and the threat of attacks.

⁸ National Defence and the Canadian Forces, "Canada First Defence Strategy," 5 August 2011, <http://www.forces.gc.ca/site/pri/first-premier/defstra/summary-sommaire-eng.asp>

minds” campaigns. In his view, the EU’s Common Security and Defence Policy (CSDP) had been successful in civilian missions in Georgia, as well as pirating missions off the horn of Africa. Dr. Tannock indicated that NATO could benefit from the EU’s expertise in post-conflict stabilization and the two could cooperate more closely in this area. However, Dr. Tannock also pointed out that there were challenges to closer cooperation, including a concern over CSDP duplicating NATO’s resources and/or EU member states reducing their contributions to NATO in favour of providing support to the CSDP.

PARLIAMENTARY MISSION TO DENMARK, THE NEXT COUNTRY TO HOLD THE ROTATING PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION

On 14 September, 2011, the delegation then travelled to Copenhagen, Denmark to participate in meetings related to Denmark’s term as rotating Presidency Country of the Council of the European Union (EU), which is set to begin in January 2012. The purpose of this visit is for Canadian parliamentarians to learn about Denmark’s priorities for its term as President of the Council of the EU, as they are being developed. The visit provides Canadian parliamentarians with the opportunity to advance Canadian positions on key EU-related issues and learn about policy debates and developments within the EU more generally, as well as promote bilateral relations. During the course of its visit, the delegation met with government officials, policy institutes, and industry and labour representatives. Normally, these visits include meetings with Danish parliamentarians, however, due to Denmark’s general election that took place on 15 September, 2011, this was not possible. Background information and summary of the discussions that took place during these meetings are outlined below.

A. Background Information⁹

The Council of the European Union is one of the main decision-making bodies in the EU. It is made up of 27 national government ministers representing each of the EU Member States in a broad range of policy areas, including: foreign and security policy, economic and financial affairs, social policy and health, transport, the environment, agriculture, fisheries, education, justice and home affairs. It is responsible for the approval of the EU’s budget and the development of legislation in these policy areas, authorities it shares with the European Parliament.

The Council of the European Union is chaired by a rotating EU Presidency country. The rotating EU Presidency follows a troika formula whereby three EU Member States develop a common 18 month programme that sets out the policy agenda for the European Union in all areas, except for foreign and security policy. During the course of its EU Presidency, the Member State is responsible for chairing the different Council meetings and working groups of the Council; finding consensus between the different

⁹ European Union, “Panorama of the European Union,” http://ec.europa.eu/publications/booklets/eu_glance/79/en.pdf.

Member States; and formulating proposals for compromises to be made between different Member States. In addition, the EU Presidency country also plays an important role in negotiating with other EU institutions with legislative authority, such as the European Parliament.

As result of the entry into force of the *Treaty of Lisbon*¹⁰ in December 2009, the European Union's Foreign Affairs Council, which is made up of the Foreign Ministers of the EU Member States and is responsible for developing the EU's Common Foreign and Security Policy, is no longer chaired by the rotating EU Presidency Country. Furthermore, the rotating EU Presidency country is also no longer responsible for chairing the European Council, the meeting of EU heads of state and government which is responsible for establishing the EU's general political direction and priorities.¹¹ Under the *Treaty of Lisbon*, a new position of President was created to chair the European Council.

Since 2002, the Canada-Europe Parliamentary Association has regularly sent delegations to the countries holding the rotating Presidency of the Council of the EU. From 2005 onwards, these visits have taken place in the months leading up to a country's rotating EU Presidency, when the program and priorities are still under development.

B. Program and Summary of Discussions

Briefing with Ambassador Peter Lundy, Embassy of Canada to the Kingdom of Denmark

Ambassador Peter Lundy began his briefing with a political and economic overview of Denmark. Ambassador Lundy explained that Denmark was a welfare state with taxes reaching over 50% of incomes and a high cost of living. Overall, Danes are happy to pay high levels of taxes, when they receive high levels of services in return. The Ambassador noted that high taxation rates had impacts on the living choices of Danes. For example, as tax rates on cars were up to 180%, cycling has become a way of life in Denmark. The Ambassador also explained that Denmark experienced a mild recession. Though unemployment increased, the Danes have a policy of "flexicurity" in which companies are able to lay-off workers relatively easily, but workers are also entitled to up to two years of benefits ranging from 60% to 90% of their salaries. The Ambassador said that pharmaceuticals, life sciences, the pork sector, and container shipping, represented the country's key sectors. The Ambassador then provided an overview of the Danish political system and discussed possible outcomes of the upcoming parliamentary elections, indicating that politics in Denmark were consensus based and all parties were equally supportive of the Danish welfare state but varied in their policy

¹⁰ On 19 October, 2007, the 27 EU Member State governments concluded the *Treaty of Lisbon*, a treaty that amends the two foundational treaties of the European Union, *The Treaty Establishing the European Community* and the *Treaty on the European Union*. The *Lisbon Treaty* introduces a number of institutional reforms aimed at streamlining the EU decision-making process, enhancing democratic accountability, strengthening EU institutions and giving the EU a stronger presence in international affairs. It came into force in December 2009, after it had been ratified by all 27 EU Member States. European Union, "Lisbon Treaty at a Glance," http://europa.eu/lisbon_treaty/glance/index_en.htm

¹¹ See http://europa.eu/about-eu/institutions-bodies/index_en.htm

choices for addressing the current economic climate. The Ambassador indicated that one of the challenges that Denmark faced was immigrant integration. Immigrants often leave after 2 years due to difficulties associated with assimilating into Danish culture and multiculturalism is not promoted.

The Ambassador also provided the delegation with an overview of Danish foreign policy, indicating that like domestic politics, the Danes were also in favour of consensus based foreign policy approaches. Due to an opt-out of the EU's Common Security and Defence Policy, Denmark's security policy is focused on NATO. In particular, Denmark has a strategic interest in participating in NATO's counter-pirating missions in East Africa due to the importance of the shipping industry to its economy. With regards to the Arctic and northern issues, Danish Arctic policy is viewed through the lens of Greenland and the Faroe Islands, which have a high degree of independence, including full control over their natural resources. However, the Ambassador noted that this is also a challenge because Denmark is a member of the EU, which has jurisdiction over fishing policy, but neither Greenland nor the Faroe Islands are members of the EU.

Meeting with Ambassador Michael Zilmer-Johns, Director of Foreign Policy, Danish Ministry of Foreign Affairs

Ambassador Zilmer-Johns began the discussion with an overview of Denmark's two main foreign policy challenges: competition arising from developing economies into the industrial world and debates surrounding the ongoing relevance of NATO. Canadian delegates raised the issue of divisions within the EU on Libya and Turkey's role in the conflict. The Ambassador remarked that there was no clear pattern to the divisions within the EU regarding military intervention in Libya and it was disappointing that neither Germany nor Poland participated in the meeting. According to the Ambassador, there is also concern that Turkey was moving away from the West, as reflected in its reluctance to participate in the NATO mission in Libya, as well as its relationship with Iran. He further noted that Turkey had indicated that it was unwilling to work with Cyprus during its upcoming Presidency of the Council of the European Union¹².

The discussion then focused on Denmark's EU Presidency priorities, including addressing the European sovereign debt crisis and ensuring that Europe remained competitive in the global economy. Canadian delegates then raised the issue of Denmark's opt-out of the Eurozone and wondered how this would affect Denmark's ability to carry out its Presidency program. The Ambassador indicated that while it remained a challenge, Denmark had joined the "EU Competitiveness Pact", an agreement among Eurozone members to introduce further measures to control public debt and budget deficits. The Ambassador indicated that deeper integration in the form of stronger governance was necessary to address the sovereign debt crisis in Europe.

¹² Cyprus is part of the current trio presidency, including Poland and Denmark and will hold the rotating presidency in June 2012.

Canadian delegates then turned the discussion to Denmark's role in Greenland and the Faroe Islands fisheries industries. The Ambassador responded that Denmark would only intervene in Greenland and Faroe Islands fishing industries in relation to their obligations under international law. Canadian delegates also asked the Ambassador about the current level of support in Denmark for CETA, as well as the Political Framework Agreement between Canada and the European Union. The Ambassador indicated that there was general support for the agreement, though no particular sector had been identified as a priority area for the country.

Meeting with Mr. Henrik Schramm Rasmussen, Senior Adviser, Confederation of Danish Industry

The Canadian delegation then had the opportunity to meet with Mr. Henrik Schramm Rasmussen from the Confederation of Danish Industry (CDI), a business lobby representing approximately 10,000 companies in Denmark. Mr. Rasmussen explained to the delegation that CDI was also responsible for negotiating collective agreements on behalf of their membership. Mr. Rasmussen began his presentation with an overview of the role industry played in the growth and maintenance of the Danish welfare state. Mr. Rasmussen explained that most companies represented by CDI have an international outlook and the EU is their most important market. As such, CDI focuses much of its efforts on lobbying the European Union. He then went on to outline the policy formation process within the European Union and how CDI works within this context to ensure that EU policies and regulations reflect the interests of Danish and European businesses.

Canadian delegates then raised the issue of the European sovereign debt crisis and wondered whether CDI had made any recommendations to the Danish government in this area. In response, Mr. Rasmussen indicated that CDI had recommended that the Danish government focus on the following as priorities for its Denmark's Presidency of the Council of the European Union, including: reform of the Single Market; shifting EU budgetary priorities towards growth and away from agriculture; enhancing economic governance; energy policy; and ensuring the EU's competitiveness in the global economy.

Meeting with Ms. Anne Marie Damgaard, Danish Chamber of Commerce

Ms. Anne Marie Damgaard provided the delegation with an overview of the Danish Chamber of Commerce. Like the CDI, the Danish Chamber of Commerce also negotiates collective agreements on behalf of its 20,000 member organizations which consist of mainly small to medium enterprises in the service sectors. Ms. Damgaard explained that her role is to promote the interests of these companies within the European Union. She then outlined some of the main barriers that Danish industries face within EU market, including differences in the interpretation and enforcement of EU legislation related to the internal market among EU Member States. The delegates then asked what recommendations the Danish Chamber of Commerce was considering making regarding Denmark's priorities for its term as EU presidency country.

Ms. Damgaard indicated that her organization had recommended that the Danish government focus on reforming the Single Market, digitalization of the economy, green growth, and energy. She also noted that her organization had recommended that the government join the EU Competitiveness Pact.

Meeting with Mr. Michael Vedso and Mr. Jan Host Schmidt, European Commission's Representation in Denmark

The meeting began with Mr. Schmidt discussing the role of the European Commission's Representation in Denmark. He explained that in order to promote a sense of connection between EU institutions and citizens of Member States, the European Commission had established Europe House in Denmark as an EU embassy on behalf of both the European Parliament and the Commission. Its role is to provide information to the Danes about the EU, as well as inform the EU about Denmark. Canadian delegates raised questions about Danish voter turnout in European Parliament elections, which remained low at 50% compared to 90% voter turnout for national elections. They also inquired about the Commission's views on measures to address the European sovereign debt crisis. Mr. Vedso explained that the entire policy agenda of the EU had been taken over by the financial crisis and political decisions had been driven by the markets. The discussion then focused on the diminished role of the EU rotating presidency country since the *Treaty of Lisbon* and the role of the Permanent EU President, Mr. Van Rompuy in bringing about consensus and compromise among EU Member States within the European Council.

Meeting with Researchers from the Danish Institute for International Studies

The discussion with researchers from the Danish Institute for International Studies (DIIS) focused on a wide range of issues from the priorities of Denmark's Presidency of the Council of the European Union to nuclear disarmament in the Middle East. Reflecting the decreasing role of the EU Presidency country in foreign policy, Mr. Tassinari indicated that Denmark's presidency priorities would be routine, focusing on trade, climate change and energy. With respect to the financial crisis, Mr. Tassinari outlined that there are two perspectives in the debate on the Eurozone, those that support further integration and others that are of the view that the crisis would lead to a gradual breakdown of the Eurozone and an unravelling of European integration. Mr. Tassinari also indicated that the conflict in Libya also illustrates weaknesses in European unity, as reflected in divisions within Europe over military intervention and ties of many EU countries to the former Qadhafi regime. Mr. Tassinari further noted that though the EU specializes in reconstruction missions, its involvement in those missions may be limited due to the current economic climate.

Canadian delegates wondered whether the EU Member States face dilemmas over when to intervene in failed and fragile states, as well as raised their concerns regarding nuclear proliferation in the Middle East. Ms. Cindy Vestergaard explained that the EU is working towards the development of a dual-use export control system in support of

international non-proliferation efforts. Dual-use items are those that could be used for both civil and military purposes, such as nuclear technology. Currently, the EU's export control system had been considered unsuccessful in balancing the need for innovation and trade in these sectors with its overall security objectives.

Meeting with Ms. Marie Louise Knuppert, Chief Consultant, the Danish Confederation of Trade Unions

Ms. Knuppert began the discussion with an overview of her organization, which is the largest confederation of unions in Denmark, representing one million workers. Ms. Knuppert indicated that there is good collaboration between the government, the unions and the employers which marked the foundation of the Danish welfare state. She explained that in order to develop a policy position on the Danish government's EU presidency priorities, her organization sat down with trade unions across Europe to determine what the priorities should be. The results of these discussions were that employment should be chief priority, focussing specifically on the development of new skills to compete in the knowledge economy, as well as making investments to address the high unemployment rate among youth in Europe. In addition, the Danish government should focus on challenges related to the sovereign debt crisis and active labour market policies. Canadian delegates sought the views of labour unions regarding free trade including negotiations towards CETA. Ms. Knuppert indicated that Danish workers are open to trade cognisant of the fact that Denmark is a small country that needs to be open to trade. She indicated that unskilled sectors are more vulnerable to free trade, but Danish skilled workers are quite competitive, as innovation in Denmark is often seen as employee driven and a part of Danish work culture.

Working Lunch with Mr. Hans Jorgen Whitta-Jacobsen and Mr. Clause Thustrup Kreiner from the Danish Economic Council

Mr. Whitta-Jacobsen began the meeting with an overview of the history and mandate of the Danish Economic Council, an independent publically funded organization established by the Danish government to monitor the Danish economy and analyze its long-term development. In 2007, the Danish Economic Council added an Environmental Economic Council that analyses issues related to environmental economics, such as energy policy, climate change and the transport sector. Both Councils are not directly involved in government policy making but rather provide advice and recommendations to both the government and parliament. Mr. Whitta-Jacobsen then provided the delegation with an overview of the key challenges facing the Danish economy, including demographic shifts and the running of large government deficits to fund the welfare state. From Mr. Whitta-Jacobsen's perspective, these two factors threatened the sustainability of the welfare state in the long run and consequently, the Council had recommended that the government increase the age of retirement by two years.

The Canadian delegation asked about the Council's views regarding the future of the Eurozone. From the Council's perspective, the link between the European sovereign debt crisis and the future of the Eurozone is overstated, mainly as a result, according to Mr. Whitta-Jacobsen, Greece's policy choices upon entering the Eurozone. Upon

Greece's entry, there was an expectation that Greece would behave responsibly, instead of taking advantage the low interest rates it received as being part of the Eurozone to increase public expenditure. The challenge now is that the country is not able to devalue its currency in order pay off its debts. The fear that Greece would not be able to pay off its debt then raised concerns about other EU Member States. Consequently, current bailout measures being introduced by European leaders are aimed at creating a sense of stability and expectation in the market that EU member states will be able to pay back their loans. Mr. Whitta-Jacobsen further noted that while Denmark is not a part of the Eurozone, its currency is pegged to the Euro and therefore Denmark also has a stake in maintaining the Euro's value.

Respectfully submitted,

Mr. David Tilson, M.P
Canada-Europe Parliamentary Association

Travel Costs

ASSOCIATION	Canada-Europe Parliamentary Association
ACTIVITY	34 th Annual Interparliamentary Meeting with the European Parliament's Delegation for relations with Canada and the Parliamentary Mission to Denmark, the next country to hold the rotating Presidency of the Council of the European Union
DESTINATION	Strasbourg, France and Copenhagen, Denmark
DATES	September 10 to 17, 2011
DELEGATION	
SENATE	The Honourable Joan Fraser The Honourable Michel Rivard
HOUSE OF COMMONS	Mr. James Lunney Mr. Scott Simms Mr. David Tilson
STAFF	Mr. Philippe Méla, Executive Secretary Ms. Karin Phillips, Advisor
TRANSPORTATION	\$46, 179. 68
ACCOMMODATION	\$12, 646. 34
HOSPITALITY	\$ 1, 923. 42
PER DIEMS	\$ 4, 813. 69
OFFICIAL GIFTS	\$ 193. 20
MISCELLANEOUS / REGISTRATION FEES	\$ 0. 00
TOTAL	\$65, 756. 33