

WTO weighs if EI for fishermen is an unfair subsidy

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CHARLOTTETOWN — The World Trade Organization is examining whether employment insurance for fishermen amounts to an unfair subsidy - a debate that a Prince Edward Island MP says could have disastrous consequences.

The federal Fisheries Department confirms that concerns over EI have been raised during WTO negotiations in Geneva, Switzerland, as the international body attempts to challenge such programs.

It's a debate that worries Prince Edward Island MP Lawrence MacAulay, who says he was shocked to learn that EI for fishermen is under attack.

"This will be the most disastrous blow ever dealt to our fishers," said Mr. MacAulay. "Can you imagine what will happen if employment insurance for fishermen is removed?"

Ottawa insists it will defend fishermen's EI, but Mr. MacAulay, a Liberal, isn't convinced.

He questioned the Conservative government's commitment to EI, noting that Ottawa recently announced that management of the program will be transferred to an arms-length Crown corporation.

"It appears the Harper government has a hidden agenda and it's becoming clearer daily with his announcement in the budget to move EI to an arms-length body," Mr. MacAulay said.

"Now we are told the WTO negotiations have been ongoing to include the fishers' EI as a countervailing measure."

But Steve Outhouse, a spokesman for Fisheries Minister Loyola Hearn, said Canada is challenging the WTO's stand.

"Clearly, the text is controversial and unacceptable to most WTO members, including Canada," said Mr. Outhouse, adding talks have been ongoing since 2001.

"Our government stands up for Canada on the international stage and we are working with a wide range of stakeholders, including industry, provinces and territories, to get the best possible outcome for Canadians."

Mr. Outhouse said talks are far from over.

"Before the WTO could even consider concluding negotiations, they would need to hold a ministerial-level meeting. No such meeting has even been scheduled at this point."

Mr. Outhouse said the process has just started to review and suggest changes to the fisheries text, as well as texts in agriculture and other areas.

The issue came up last week during a Commons committee meeting on the fishery.

Rashid Sumaila, an economist who has made a presentation to the WTO on these talks, said he believes the challenge is about conservation as much as unfair subsidies.

"A lot of the activity which leads to overfishing and all that is actually fuelled by these subsidies," he told MPs.

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