



July 2, 2008

The Right Honourable Stephen Harper, P.C., M.P.
Prime Minister of Canada
House of Commons
80 Wellington Street
Ottawa, ON K1A 0G2

*Office of the President and
Chief Executive Officer*

*Cabinet du président
et chef de la direction*

Dear Prime Minister:



Over the coming weeks, WTO Members, through a mini-Ministerial meeting, will likely be called upon to agree to the modalities for the conclusion of the Doha Round of trade negotiations. The Canadian Chamber of Commerce – on behalf of the 175,000 organizations we represent – strongly supports the successful conclusion of the Doha Round and urges you and your government to sign on to this important modalities agreement.

The Canadian Chamber is a longstanding and vocal advocate of the benefits that trade and investment liberalization confer. To put it simply, Canada depends on trade. The prosperity, quality of life and standard of living of Canadians require open and secure access to international markets. A multilateral agreement is our best way to achieve significant gains for Canadian companies and for our citizens, since similar progress would be hard to achieve solely through bilateral agreements. We call on the federal government to work with provincial and territorial governments, as well as the other major trading nations, to show the political commitment and flexibility necessary to reach an agreement.

A balanced and ambitious Doha agreement that contains commitments and increased market access in all three pillars of the negotiations – agriculture, non-agricultural market access and services – offers tremendous potential for Canadian companies. In addition, by contributing to the successful conclusion of a Doha deal, Canada would help reduce poverty in the developing world. In light of the current food price and energy challenges, the Doha Round is an opportunity to add stability and predictability to the global trading system. Canada's interests – as a trade dependent economy, as consumers and as global citizens – are clear.

Canada's trade negotiators have done an admirable job despite their constrained mandate. In particular, we thank Ambassador Don Stephenson for his tireless efforts to lead the NAMA negotiations toward a successful outcome, as well as John Gero, our chief trade negotiator, and Steve Verheul, our chief agriculture negotiator, for their diligent work to advance Canada's interests.

360, rue Albert St.
Suite 420
Ottawa, Ontario
K1R 7X7

 613.238.4000
 613.238.7643

www.chamber.ca
info@chamber.ca



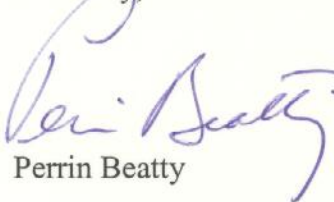
The time has come for the Government to empower our officials with greater flexibility to negotiate. It is neither realistic nor constructive for Canada to demand that other countries provide new market access opportunities for Canadian exporters while we refuse to accept any over-quota tariff cuts or tariff quota expansion for sensitive products. Our refusal to be more flexible undermines the entire, fragile WTO negotiations. It may frustrate the ability to reduce poverty in developing countries and encourage global economic growth.

It is simply untenable for Canada to refuse any reductions in our over-quota tariffs – tariffs that range from 298.5% for butter, 265% for ice cream, 245.5% for cheese, 241% for milk, 238-249% for chicken, 238% for eggs to 237.5% for yogurt. For example, it is not credible that a tariff reduction from 298.5% to 295% would put at risk the supply-managed sector. There is also a cost to Canadians in general. The Montreal Economic Institute has calculated that current rules cost a family of four approximately \$300 a year, with a cost to the consumers of Quebec alone of approximately \$575 million annually. Reductions in over-quota tariffs or tariff quota expansion could ease this expensive burden on Canadian families.

We note that over ninety percent of farmers across the country – and at least three-quarters of all farmers in every province – depend on exports for their livelihoods. In Ontario, for example, every federal riding contains more export-oriented farmers than farmers in the supply-managed sector. The gains that these farmers will realize from a successful Doha Round, as well as the benefits that Canadian consumers in general will enjoy, far outweigh the costs of modified tariff charges to supply-managed commodities. Canada's manufacturers, fishers and service providers will also benefit from reduced tariffs and new market access.

The Canadian Chamber of Commerce is prepared to stand with you on a modified Canadian position to maintain our ability to support the supply-managed parts of our agricultural sector, while adapting to a world that reduces these support mechanisms and fosters greater competition. I urge you to act in the interests of all Canadians and alter our negotiators' mandate to provide greater flexibility. A Doha agreement is important for both Canada and the global economy. The Canadian Chamber looks forward to seeing Canada among the leading countries working to achieve this important agreement.

Sincerely,



Perrin Beatty



CC: The Honourable Ed Stelmach, Premier of Alberta
The Honourable Ron Stevens, Deputy Premier of Alberta, Minister of International and Intergovernmental Relations, Government of Alberta
The Honourable George Groeneveld, Minister of Agriculture and Rural Development, Government of Alberta
The Honourable Gordon Campbell, Premier of British Columbia
The Honourable Colin Hansen, Minister of Economic Development and Minister responsible for the Asia-Pacific Initiative and the Olympics, Government of British Columbia
The Honourable Pat Bell, Minister of Agriculture and Lands, Government of British Columbia
The Honourable Gary Doer, Premier of Manitoba
The Honourable Andrew Swan, Minister of Competitiveness, Training and Trade, Government of Manitoba
The Honourable Rosann Wowchuk, Minister of Agriculture, Food and Rural Initiatives, Government of Manitoba
The Honourable Shawn Graham, Premier of New Brunswick
The Honourable Ronald Ouellette, Minister of Agriculture and Aquaculture, Government of New Brunswick
The Honourable Danny Williams, Premier of Newfoundland and Labrador
The Honourable Trevor Taylor, Minister of Innovation, Trade and Rural Development, Minister of Fisheries and Aquaculture (Acing), Government of Newfoundland and Labrador
The Honourable Rodney MacDonald, Premier of Nova Scotia
The Honourable Brooke Taylor, Minister of Agriculture, Government of Nova Scotia
The Honourable Floyd Roland, Premier of Northwest Territories
The Honourable Paul Okalik, Premier of Nunavut Territory
The Honourable Dalton McGuinty, Premier of Ontario
The Honourable Sandra Pupatello, Minister of Economic Development and Trade, Government of Ontario
The Honourable Leona Dombrowsky, Minister of Agriculture, Food and Rural Affairs, Government of Ontario
The Honourable Robert W.J. Ghiz, Premier of Prince Edward Island
The Honourable Neil J. LeClair, Minister of Agriculture, Government of Prince Edward Island
The Honourable Jean Charest, Premier of Québec
The Honourable Raymond Bachand, Minister of Economic Development, Innovation and Export Trade, Minister of Tourism, Government of Québec
The Honourable Laurent Lessard, Minister of Agriculture, Fisheries and Food, Government of Québec
The Honourable Brad Wall, Premier of Saskatchewan
The Honourable Lyle Stewart, Minister of Enterprise and Innovation, Government of Saskatchewan



The Honourable Bob Bjornerud, Minister of Agriculture, Minister responsible
for the Saskatchewan Crop Insurance Corporation, Government of
Saskatchewan

The Honourable Dennis Fentie, Premier of Yukon Territory
Provincial and territorial Chambers of Commerce

Ambassador Don Stephenson

John Gero, ADM and Chief Trade Negotiator

Steve Verheul, Chief Agriculture Negotiator

Lee Richardson, Chair, House of Commons Standing Committee on
International Trade