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Chair

The Honourable Mark Eyking

Standing Committee on International Trade

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•(0845)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)): Good morning everyone. This is the Standing Committee on International Trade. We're a very active committee that has had a lot on our plate since the opening of Parliament. We have softwood lumber issues and the finalization of the trade agreement with Europe. Right now we're embarking on a very ambitious consultation process with Canadians on the TPP. We've visited western provinces. We visited Ontario and Quebec. We have also been having witnesses come forward here from different organizations and as individuals. We're also receiving many emails from Canadians. This is the last month that we'll be receiving them. They'll be compiled for our report. Also, members of Parliament will probably host town hall meetings, and we'll receive from them what they hear. We still have to visit the Atlantic provinces and the territories.

We have a very ambitious agenda, and quite a distinguished panel here with us today. Not everybody is here at the table; some are joining us by video conference.

With us today we have the Canadian Cancer Society, the Canadian Pork Council, Doctors Without Borders, the International Union of Operating Engineers, the Council of Canadians, and Scotiabank. This month instead of breaking everyone into two sections, we will hear from all the witnesses first, so we can definitely hear everybody's presentations. I say this because June can be a little unpredictable here on the Hill. We'll give each presenter five minutes, and then we'll open it up to the floor for dialogue with MPs.

We're going to start with Rob Cunningham of the Canadian Cancer Society.

Go ahead, sir, for five minutes.

[Translation]

Mr. Rob Cunningham (Senior Policy Analyst, Canadian Cancer Society): Mr. Chair, members of the committee, thank you for the opportunity to be here with you today.

[English]

My name is Rob Cunningham. I'm a lawyer and senior policy analyst with the Canadian Cancer Society.

My testimony is going to focus on what has been distributed to you—article 29.5—which contains an exception for tobacco products in the investment chapter. We support this provision. We're very pleased that it's in the TPP. It was there in part because of

Australia's experience with respect to plain packaging. In the Canadian context, plain packaging is part of the Prime Minister's mandate letter to the Minister of Health. Last week, on May 31, the health minister announced consultations for implementing it in Canada.

What is plain packaging? What has Australia done? I have an example here of the iconic Marlboro pack before and after plain packaging. After plain packaging, you no longer have the package as an advertisement. You no longer have the brand colours, logos, and graphics. On a cigarette pack, you have a health warning, and the brand name appears on a drab brown background. You can perhaps see if better if I show you three different packages here. On these three different packs, you have the health warning and then the company names: Dunhill, Marlboro, and Benson & Hedges. In all three cases, you have drab brown for the base colour of the pack, and the brand name is on the background in white.

The Australian government did research into what was the least attractive colour. They came up with olive brown. They referred to it that way. But the olive industry got upset.

Voices: Oh, oh!

Mr. Rob Cunningham: They didn't want to be associated with the tobacco industry.

This is what's been done. It's been implemented as of May 20 in the United Kingdom and France. Ireland is on the verge of a commencement date. Norway has a bill to be introduced in its parliament in early June. New Zealand has regulations that they announced for consultation last week.

Why is this important in the TPP? The tobacco industry has a history of abuse, seeking to use international trade and investment agreements to overturn bona fide public health tobacco control measures that apply equally to domestic and foreign companies. In the 1980s, they tried to invalidate Thailand, a developing country, with their ban on tobacco advertising, which was similar to a measure that Canada subsequently implemented. The highest court in Australia has upheld plain packaging. It was found not to be contrary Australia's constitution.

After the Australian government announced their intent to go with plain packaging, Phillip Morris moved its parent company. They had a shell company in Hong Kong and they took advantage of a Hong Kong-Australia bilateral investment agreement to say that Australia couldn't do this without paying compensation. Australia, on a preliminary basis, said it was abuse. In this case, the panel agreed. They can't do jurisdictional shopping.

Philip Morris International brought a claim under a Switzerland-Uruguay bilateral investment agreement saying that Uruguay's health warning of 85% size—Canada's is 75%—was an expropriation. There's an arbitration panel. We may see a decision in 2016. Uruguay also has a provision that says that you can only have one brand variation per pack. That's an abuse. If we have this provision, you can't even have the possibility of government's delaying their measures, because of intimidation by the tobacco industry. They have to deal with these legal proceedings, because you have this simple carve-out.

One of the benefits of plain packaging is that you would not have these slim packs that are targeted at women, attractive to young girls, associating smoking with weight loss and glamour and sophistication. Some of these packs are very sophisticated, glamorous, with a satin overwrap.

This is the type of public health measure being proposed for consultation in Canada. We support it. There are other examples of legal claims being brought by the tobacco industry in the United Kingdom. One of these has been dismissed, but it's under appeal.

Members of the committee, this is a very important issue from a public health perspective. I believe it has all-party support.

Thank you very much for the opportunity to give our views today.

The Chair: Thank you. It's very interesting what's happening down under.

We're going to move to the Canadian Pork Council, and Mr. John Ross.

Go ahead, sir.

Mr. John Ross (Executive Director, Canadian Pork Council): I'm John Ross and I'm the executive director of the Canadian Pork Council. I'm pleased to speak on behalf of Canada's pork producers and the 31,000 jobs that are generated on our farms.

I would like to thank the committee for the invitation to discuss the Trans-Pacific Partnership agreement. The Canadian Pork Council has been a staunch supporter of Canada's participation in the negotiations. We are pleased to take this opportunity to indicate our strong support for Canada's ratification of the agreement.

We are a trade dependent sector. More than two-thirds of the hogs we produce in Canada are exported either as live hogs or as pork. Over the past five years, Canadian pork has been exported to more than 125 countries. In 2015 these exports were valued at \$3.4 billion.

The Canadian Pork Council sees significant benefits for our industry from the TPP. According to an analysis conducted for the council, the Canadian pork industry would increase its exports by some \$300 million and would generate 4,000 new jobs once TPP is fully implemented.

This growth is the result of Canada's having improved access into other TPP countries relative to our non-TPP pork competitors. This is particularly important in high value and high growth markets such as Japan and Vietnam.

The TPP also ensures that Canada maintains its access to Japan, a \$950 million market for Canadian pork, on terms that are equal to

other TPP pork exporters. The Japanese market for Canadian pork will be lost and the damage to our industry will be extreme if Canada is excluded.

As part of its global strategy, the Canadian pork sector relies on the Government of Canada to be as successful in securing equal access to global markets as the governments of our competitors.

Every time Canada falls behind other countries, it becomes more difficult to justify the raising and processing of livestock in Canada, and to maintain the associated jobs and economic activity.

Canada's experience with South Korea provides a concrete example. We were disappointed when the Canada-Korea trade negotiations appeared to stall in 2007. Our worries over the lack of a free trade agreement with Korea became very acute in 2011 when virtually all of our competitors started benefiting from their own FTAs with Korea. In the food business, with tariffs of well over 20%, Canadian pork exporters quickly found themselves unable to compete as others acquired huge tariff advantage.

In 2011, the year before the U.S.-Korea free trade agreement came into place, Canada was one of South Korea's most important suppliers. Within two years, our pork exports to that market fell by three-quarters from almost a quarter billion dollars to just \$76 million.

We are pleased that Canada was able to complete its own bilateral deal with South Korea three years later, but we will continue to be at a disadvantage to U.S., European, and Chilean exporters.

In considering the TPP, we must avoid a repeat of the South Korean experience. Canada needs to take a leadership position in helping advance the ratification of the TPP. It would be risky for Canada to simply await the outcome of discussions in the U.S. and Japan. While we wait, some of the benefits of the TPP could erode should other non-TPP countries negotiate their own preferential agreements.

If it appears that the implementation of the TPP will be unduly delayed, we strongly recommend the Government of Canada undertake a vigorous strategy of bilateral or regional trade negotiations in high priority markets such as Japan and Vietnam.

Certainly, hog producers and processors benefit from improved market access. However, so do Canadians. Recent polling has showed that the top concerns of Canadian consumers are the rising cost of food and keeping healthy food affordable. A globally competitive Canadian hog and pork industry will ensure Canadians have access to locally produced, high quality, competitively priced, pork and pork products. However, we can't meet this obligation if we are locked into the domestic market.

In conclusion, we believe it's in Canada's best interest as one of the founding members of the trans-Pacific partnership to ratify the agreement as soon as possible.

Thank you very much for your attention.

• (0850)

The Chair: Thank you. You represent a very important industry and we also heard from your counterparts in Manitoba. When we were in Winnipeg, they explained how important the industry is. It's also quite substantial in that province.

We're going to move on to Doctors Without Borders. At the table with us we have Jason Nickerson, and via video conference we have Judit Rius Sanjuan. Welcome.

Go ahead, for five minutes, folks.

• (0855)

Mr. Jason Nickerson (Humanitarian Affairs Advisor, Doctors Without Borders): Thank you for the opportunity to address the committee on this important issue.

I'm a humanitarian affairs advisor with Doctors Without Borders/Médecins Sans Frontières. I'm here to present our perspectives regarding the negative impact that the Trans-Pacific Partnership agreement, or the TPP, will have on access to affordable medicines.

I'm joined by my colleague in New York, Judit Rius Sanjuan, who has followed the TPP negotiations closely for several years.

MSF is an international humanitarian organization that provides impartial medical assistance to people in nearly 70 countries. For more than 40 years, we have been providing medical assistance to people affected by armed conflicts, natural disasters, disease epidemics, malnutrition crises, and other emergencies. In 2014, alone, we performed more than 8 million outpatient consultations, vaccinated more than 1.5 million people during measles outbreaks, and responded to other medical emergencies ranging from Ebola outbreaks in West Africa to the refugee crisis in Europe, and many others.

As a medical treatment provider that needs both affordable access to and innovation for medical technologies, MSF is able to speak about the relationship between trade, intellectual property, and health, and about the role competition has played in enabling access to medical care for millions.

Drug prices need to be affordable so our patients, and millions of others still waiting for treatment, can get the medicines they need. In our experience, generic competition in the production and distribution of health technologies saves lives by reducing prices and increasing access. Countries, and medical treatment providers like MSF rely on affordable, quality, generic medicines to treat many life-threatening diseases, including tuberculosis, malaria, HIV/AIDS, and other infections that afflict the poorest and most vulnerable populations.

Our analysis of the text of the TPP has identified that this agreement represents a major concern for public health. We will submit a brief with more information on our analysis, but some of our concerns relate to the following provisions.

First, the TPP requires countries to grant additional 20-year patents for modifications of existing medicines for new uses, methods of use, or new processes of a known product. This lowers the standards of patentability and creates new monopolies for existing medicines.

Second, the TPP requires countries to protect clinical trials data with additional periods of exclusivity. These data exclusivity obligations will restrict access to medicines, even when patents no longer apply or never existed, giving companies another way to keep prices high for longer, and further delaying competition. This includes a specially extended period of data exclusivity for a certain class of drugs known as "biologics", which includes, for example, many new cancer treatments, vaccines, and potential Ebola treatments.

Third, the TPP requires countries to grant patent term extensions beyond the initial 20-year patent term if companies argue that there have been delays in the regulatory or patent-granting process.

The effect of these provisions will be to keep medicine prices high for longer by further delaying price-lowering competition. There are additional provisions that fail to balance commercial and public health interests, and further restrict the ability of governments to address high health care costs and to regulate medicine prices.

If enacted in its current form, the TPP will go down in history as the worst-ever trade agreement for access to medicines for developing countries. This is of vital importance to Canada, because Canada has made many important contributions to global health, for example, as one of the largest donors to Gavi, the vaccine alliance, where Canada has contributed more than \$1 billion to improve access to affordable vaccines in developing countries and, most recently, by committing \$785 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Provisions such as those included in the TPP undermine these investments and reduce the efficiency of the dollars pledged by unnecessarily driving up the price of medicines, meaning that instead of being used to procure needed medical services, dollars end up in the pockets of already-profitable pharmaceutical companies.

Instead of using trade deals like the TPP to extend monopolies for pharmaceutical companies, Canada should seek to establish improved global norms to fix the broken research and development system.

The sole reliance on high medicine prices backed by exclusivities and monopolies is a flawed paradigm for funding innovation. This leads to unaffordable prices while failing to stimulate innovation for diseases where patients have limited purchasing power, like neglected tropical diseases or where medicines like antibiotics have to be used sparsely.

It is not too late to prevent the further restrictions on access to affordable medicines that would be created through the TPP. MSF urges Canada to protect the right to health of millions of people who will be negatively impacted if the TPP is implemented in its current form.

The TPP should be modified or rejected. Rather than implementing measures that will lock in high prices, Canada should champion efforts to improve the world's research and development system to ensure that biomedical innovations address pertinent public health needs and are accessible and affordable to all who need them.

Judit and I would be pleased to answer any questions that members of the committee may have for MSF.

Thank you.

• (0900)

The Chair: Thank you, Jason, for being on time.

And thank you, Judit, for being with us from New York. I know you're still standing by for any questions.

We're going to move on to the International Union of Operating Engineers, and Steven Schumann.

Go ahead, sir.

Mr. Steven Schumann (Canadian Government Affairs Director, International Union of Operating Engineers): On behalf of the International Union of Operating Engineers, I would like to thank the committee for allowing me to raise our concerns around the TPP, in particular chapter 12, temporary foreign entry of business persons, and the possible negative impact it could have on Canada's construction sector, a sector that consistently makes up nearly 10% of our total GDP and represents approximately \$256 billion worth of work in Canada.

In our sector, safety is paramount. Our members are highly trained and well skilled. Our members operate the cranes and heavy machinery. We are mechanics and surveyors on construction sites. We work for the heavy civil and industrial contractors, and we are involved in various aspects of Canada's natural resource sector. We work in every corner of our country, and we construct and shape the skylines of Canada. We know construction quite well.

Unlike other sectors in Canada, construction is unique. It faces numerous challenges. Every year, every day, there are people working illegally in our sector. There is an underground economy that impacts us greatly. Companies continue to abuse and misuse temporary foreign worker programs in place now. Unless Canadian regulations and enforcement procedures are drastically changed to specifically address these issues, abuses and misuses will continue and will likely expand exponentially under the TPP.

As mentioned by the previous witness, the TPP will be the first time Canadian construction workers were ever included in a national trade agreement. Unfortunately, we were not given an opportunity to consult prior to the inclusion of construction workers. If we had, some of our concerns, like enforcement, might have been addressed at the time.

We believe chapter 12 as drafted does not provide any real benefit to Canada. In fact, we believe the opposite. We know that Canadian construction workers will not travel abroad in any relevant numbers to any of the other TPP countries. Besides language issues, most of these countries have much lower safety and work standards, and the pay is significantly less than construction workers receive in Canada. Why, then, would our workers want to travel to these countries for work? Workers from less developed countries, however, will come to Canada. They will seek better opportunities, better employment, better pay, even if that pay is below the Canadian working standard.

The TPP does not have a Canada-first provision, so we're concerned that companies based in, for example, Mexico will come to Canada with foreign workers from a region where there's high economic unemployment. A construction project could be built by a foreign company with foreign workers, and there would be nothing

that Canadians or the federal government could do to stop it. Foreign workers and foreign companies can directly benefit from Canada's infrastructure jobs, while our workers and our economy suffer. All of the benefits that were offered to Canada's working middle class by the Liberals' \$240-billion infrastructure pledge could be at risk.

As you are aware, the United States has exempted itself from chapter 12. Under this chapter, TPP countries sign individual side agreements with each other. Canada has seven side agreements, while the U.S. has signed none. If our largest trading partner refuses to sign chapter 12, why are we a signatory?

It would have made more sense if Canada and the U.S. had pursued worker mobility in the construction sector under the TPP. Our training, our background, our experience are generally interchangeable. Instead, though, less-skilled workers who do not meet many of our provincial standards will now be allowed to enter Canada. Under chapter 12, the credentials of foreign workers will be verified only by officials sitting at a desk via computer. They will view these resumés and take the qualifications at face value. Once workers come to Canada, there's no way to track them, no way to guarantee they meet our standards for safety or trade certification, and no way to ensure that they do only the work they have been assigned to do. These abuses already occur under TFW.

We are also concerned about the categorization of professionals under chapter 12—in our case, contractors for crews of heavy equipment operators. We've reviewed the national occupational code, which guides chapter 12, for the definition of occupations. We are concerned that the categorization is too big. We believe a contractor could be allowed to perform heavy equipment work, which means we could potentially have poorly trained, under-qualified crane operators working in our country. Would you feel safe walking by the West Block, where we have cranes right now, if you knew the crane operator might not have the ability to operate that crane safely? Then, again, how would you ever know if that person was qualified? For example, in Ontario to be a licensed operator, you must have a minimum of 3,000 hours to be considered a journey person.

On another matter of safety, under TPP there are no requirements forcing a potential construction worker to speak English or French. Imagine a construction site where the workers are unable to communicate and understand each other while moving and operating heavy, large pieces of equipment and heavy loads. A language problem currently exists under TFW, and it has led to serious injuries, and even fatalities, on job sites.

Currently, as written, we believe chapter 12 has many grey zones, which we believe can and will be exploited by construction companies abroad, and even domestically, at the expense of Canadian workers and our economy.

• (0905)

We have been working and continue to work with officials from Global Affairs to address our concerns, and we will push for some form of a demonstration of skills test before entry. We believe that's the only way to ensure we can get qualified workers into Canada. As it stands now, if we can't get some of these changes, we cannot support TPP.

I will be happy to expand on any of these comments and any questions you may have.

Thank you.

The Chair: Thank you, sir.

We're going to move Scotiabank.

We have Jean-François Perrault.

Go ahead, sir.

[*Translation*]

Mr. Jean-François Perrault (Senior Vice President and Chief Economist, Scotiabank): Thank you, Mr. Chair.

I'm Jean-François Perrault, chief economist and senior vice-president at Scotiabank.

[*English*]

Good morning. It's a pleasure to be here to discuss the Trans-Pacific Partnership.

As Canada's international bank, we have operations in 9 of the 12 TPP countries and operations in 46 other countries. We are strongly supportive of the TPP.

In Scotiabank's view, free and open trade is critical to Canada's economic well-being. We are a trading nation. Our economic prospects depend critically on the economic health of our major trading partners but also on our access to their markets. At the moment, roughly 75% of our exports go to the United States. This, of course, reflects the deep integration of the North American economy, but exporting being so heavily concentrated in a single country necessarily entails some risks and limits economic opportunity.

In our view the TPP represents a meaningful expansion of trading opportunities for Canadian firms. It provides our companies with preferential access to markets representing 800 million people. If implemented, the TPP and the comprehensive economic and trade agreement, CETA, would make Canada an advanced economy with the largest preferential access to markets. While this is impressive by virtue of the trading opportunity it provides to our firms, it is also a powerful magnet for foreign investment.

I was in Korea a few weeks ago talking to Korean investors, and they were all impressed when I explained these advantages to them. Setting up shop in Canada would provide them and firms from other countries with preferential access to North American, Asian, and European markets if both the CETA and the TPP were implemented.

When combined with our highly qualified labour force and the ease of doing business in Canada relative to our main competitors,

these trade deals help make Canada that much more appealing to foreign investors who want to start and grow businesses here.

Implementing free trade agreements also help diversify our export markets. As I indicated, our exports are heavily concentrated into the U.S. This is normal, given our shared land border, cultural similarities, and the North American Free Trade Agreement. Excessive reliance on a single partner, however, is a bit risky. We are, to some extent, hostage to developments in the U.S. While this is true for most countries, given the importance of the U.S. to the global economy, it's even more so for Canada.

Thus there is a compelling case to diversify our export markets to reduce our reliance on any single country but also to ensure that we have access to countries that are growing faster than the U.S., which is the case for virtually all of the emerging market members and countries in the TPP.

Finally—and this is an element of free trade that some take issues with—it increases the competitive pressure on our Canadian firms. This is fundamentally a good thing. Canadian firms have adapted to competitive pressure in the past and continue to do so. It's in our DNA as a trading nation.

The World Economic Forum considers us to be one of the most competitive economies in the world. A recent study by KPMG finds that Canada has the lowest labour costs of all the G-7 economies. We have the highest quality of education in the G-7 and the soundest financial system in the world, again, according to the World Economic Forum. All of this suggests that Canadian firms are well suited to meet the competitive pressures and, more importantly, to gain market share in new markets as TPP and CETA come into effect.

Of course, with greater competitive pressure comes more innovation and higher productivity. These are two elements that are critical to the long-term health of our economy and to the rising standard of living for Canadians.

From Scotiabank's perspective, the agreement levels the financial services playing field in TPP countries. This means that Canadian banks will have the same access as other foreign banks in TPP countries. This is important to us, as it would allow us to help our Canadian and international clients to take full advantage of the opportunities presented by the TPP.

Let me emphasize that what drives our support for the TPP is not narrow self-interest. The ability to meet our clients' needs is, of course, important to us, but more important are the economic interests of our country. The TPP and CETA represent meaningful increases in market access for Canadian firms and make us a more attractive investment destination. This will pay off over the long term, even though there are likely to be some segments of our economy that will struggle to adapt to increased competitive pressure. There are estimates of the impact of the TPP on our economy. They tend to be small. We don't have models at Scotiabank that help to calculate these effects, but they seem relatively reasonable.

Importantly, however, there are costs to not participating in the deal. Again, these are small, but taken with gains from participation, there's a solid case for signing on to the TPP. Moreover, there are expectations that the TPP will, in time, expand to include other countries. This would, of course, increase the beneficial aspects of the deal, should it pass.

Importantly, estimates of the impact of the TPP do not account for the possibility that firms will want to use Canada as a production base, given our geographic location and preferential market access. We do not have an estimate of what this could be, but it stands to reason that the impact should not be negligible. Model-based estimates of the impact of TPP also do not account for the potential impacts of increased competition on productivity growth in Canada. This, too, is something that has the potential to increase our standard of living over a longer period of time.

Thank you. I'd be happy to take your questions at a later point.

● (0910)

The Chair: Thank you, sir.

We're going to go to our last panellists, who are from the Council of Canadians.

We have, via video from Toronto, Steven Shrybman, and with us at the table here, Madam Sujata Dey.

[*Translation*]

Ms. Sujata Dey (Trade Campaigner, National, The Council of Canadians): Good morning and thank you, Mr. Chair.

I'm Sujata Dey, trade campaigner, national, Council of Canadians.

I will be speaking to you in English.

[*English*]

I am here with Steven Shrybman, one of our board members, who practises international trade and public interest law. He's a partner at Goldblatt Partners LLP.

The Council of Canadians is the largest independent citizen group in Canada, with over 100,000 members. Our group has been on the forefront of a citizens' approach to trade agreements since 1985, with the Canada-United States Free Trade Agreement.

We have many concerns about the TPP. We feel that it's not a trade pact, but a pact that helps set the rules for investors and actually has less to do with trade. We have not had a serious independent economic analysis of both the TPP and CETA. We have been asking, along with the Trade Justice Network, that the parliamentary budget officer analyze both agreements independently. Evidence from several economists right now says that despite a flurry of trade agreements, our actual trade deficit has increased. Our trade remains very concentrated in the United States, amounting to 75% of our trade.

Recently, the manufacturers' association said that, in their view, despite a flurry of trade agreements, the only trade agreement we've actually benefited from was the NAFTA. Obviously, we think differently. In fact, research done by Jim Stanford indicates that we have actually had more growth in exports with countries that we don't have free trade agreements with.

Much of the actual TPP agreement—24 of the 30 chapters—has nothing to do with traditional trade barriers. They are rules, and those that were not decided by our democracies. They came through a process that parliamentarians that did not have access to, but to which 600 U.S. lobbyists did. In particular, we also worry about how the TPP endangers the robustness of our democracies and our ability to set public policy.

ISDS mechanisms would make us vulnerable to suits from additional countries in the TPP. We are already the most-sued developed country in the world. We've lost \$200 million in suits. This does put a public chill on your ability as legislators to set policy. In fact, the UN rapporteurs on human rights and indigenous peoples have come out against ISDS and the TPP.

However, it's not just the ISDS issue. It's also certification. Under the U.S. fast-track law, the U.S. gets to determine and even help write the implementing laws of other countries before their own obligations go into effect. The U.S. has done this in the past, in free trade agreements with Australia and with Peru. There are many politicians who have spoken about this, including former Japanese Prime Minister Yukio Hatoyama and other parliamentarians from TPP countries, mostly the non-U.S. TPP countries.

There's not a lot of time. We'll be presenting a brief as well, but we feel there's a need for an open debate and serious analysis, not just on the economics but on the political dimensions and the human rights and environmental aspects of this deal. We have just signed a declaration on indigenous rights. We've also signed a declaration at the Paris climate talks. Those are very important things to protect, and it's important to make sure that we can continue to protect them with the TPP. We need consultation not just on the TPP, but on CETA as well, where there seems to be no consultation.

This government is not the previous one, and it can and should act differently. Thank you.

Steven Shrybman now will present as well.

The Chair: Sir, you have one minute.

● (0915)

Mr. Steven Shrybman (Member of the Board of Directors and Partner at Goldblatt Partners LLP, The Council of Canadians): In the minute that I have, I will add a few comments to the ones you've already heard about chapter 12, and about chapter 19, the labour chapter of the TPP.

On chapter 12, just to reinforce the points you have already heard from a previous speaker, the title of the chapter, “Temporary Entry for Business Persons”, is a misnomer, to be charitable about it, because the people covered by the chapter are any nationals of any country with respect to which we have a reciprocal agreement under this chapter. It's open-ended in terms of the character of the people who may enter Canada under the rules of this chapter.

“Temporary” is also an interesting way to describe their entry into Canada, because depending on which category they fall into, they may be entitled to come here for three years, and that may period may be extended. They may be entitled to bring their spouses with them. Their spouses need have no particular qualification whatsoever to work in Canada, but they are entitled to look for work here and to work here while their partners are here.

The essential features of the chapter remove Canada's ability to regulate the number of foreign workers who enter the country, because Canada is no longer entitled to apply its labour market impact assessment process. That's a fundamental erosion of our regulatory capacity to control labour markets. It removes labour certification tests as a precondition to gaining entry to the country and receiving a permit to work here. Those are fundamentally problematic features of a regime that will now require Canadian workers, regardless of whether they're employed or not, to compete with foreign workers for jobs in this country.

The other chapter of the agreement that I want to briefly comment on is chapter 19, which deals with labour rights. At first look or at first blush, it looks like a progressive initiative to begin to build into an international trade agreement some protection for core labour standards. Under the agreement, the countries are obliged to put in place statutes and regulations that give effect to certain core labour standards as set out under the ILO declaration. These concern the right to organize, to bargain collectively, rules about child labour, rules about slave labour. That's all to the good.

The problem is that the declaration of the ILO sets out—

The Chair: Excuse me, sir. Maybe your group didn't understand but we have five minutes for each panellist and we want to have dialogue with MPs. You will have to wrap it up, sir.

Mr. Steven Shrybman: Okay. I'll wrap it up now.

I'm here to answer questions about the chapter if anyone has them. Unfortunately, I'm going to leave you at 10 a.m. but I'm here till then.

Thank you.

The Chair: Thank you.

We will move on now to some dialogue with the MPs. We will start with the Conservatives for five minutes.

Go ahead, Mr. Ritz.

Hon. Gerry Ritz (Battlefords—Lloydminster, CPC): As you can see, it's always a struggle to find balance on moving forward. I thank you for the issues that you've raised.

I want to start with Mr. Perrault from Scotiabank. We've heard from a lot of the service sectors in Canada about how good this

would be, that it would result in a lot of professional interchanges, and so on.

A couple of things were brought up. You're already involved in 9 out of 12 TPP countries, which is good, so you're going to hit the ground running when we get this thing done.

The one thing that keeps coming up is the whole issue of TFW exchanges. The Royal Bank was famous for pushing the bar too far and got pulled back accordingly. I'm sure you've made use of intra-company exchanges as you move people around to set up new branches and work through that. Do you this facilitating that on the intra-company system?

Mr. Jean-François Perrault: I'm afraid I can't answer that with any degree of authority. If you walk around Scotia Plaza in Toronto—I've only been there for four months—the striking thing about working there is the amount of non-English that you hear in the elevators. We are truly a global institution in the sense that we cycle people in and out of our regions on a regular basis.

I can't tell you if TPP would facilitate that. My sense is that it would, but we don't have a huge challenge at this point in time in facilitating that movement, which is mainly with Latin American partners at present. I suspect that this would make it a little bit easier but that's all I can say.

• (0920)

Hon. Gerry Ritz: Okay.

Mr. Schumann, building on the meeting you and I had the other day, we both understand equipment. That's what I did to pay for my farming habit, and we had some good discussions about that.

Just as a side note, I understand that Darcy Davis will get a hold of you later today.

I'm quite perplexed, I guess would be the word, when you talk about the illegal underground economy at the size and scope of job sites that you guys are on. How do I hide a skyscraper on the black market?

Mr. Steven Schumann: Right now, there's the example of high-rise concrete construction in British Columbia. The unionized building trades have been approached by three non-union companies to ask for our help in deterring the underground economy in British Columbia. There's an RCMP investigation that has opened. There are three issues with it. Some companies are paying people half salary on the books and then paying cash; some people are being forced to cash cheques at Money Marts that may not be the most reputable; and there is an influx of undocumented workers who will go on the job sites in street clothes, change at the job site into work clothes, and then come back out in normal street clothes.

It is an investigation right now. We'd be more than willing—

Hon. Gerry Ritz: These are allegations, but they're moving forward with the investigation. allegations...

Mr. Steven Schumann: They're being investigated right now, and I'd be more than willing to bring in the people who have done that for you.

Hon. Gerry Ritz: All right, but these are Canadians that are doing this. These aren't illegal aliens or...

Mr. Steven Schumann: The third part is: they are undocumented Canadians who have come in through previous temporary foreign worker programs and have vanished in the system.

Hon. Gerry Ritz: I'd be very interested in having a heads up on that as you move forward.

The concern I have is, how do these companies do this? There are city permits, provincial permits, workers compensation, all these different things, so how do I as the owner of that complex or the contractor get around the liability side?

You made the point about an undocumented worker on the crane on the West Block, and so on. That doesn't happen because it's a government project, as everybody is checked, double checked and triple checked.

Mr. Steven Schumann: Yes.

Hon. Gerry Ritz: I'm amazed at how I would get around the liability.

Mr. Steven Schumann: As a contractor, or as an owner?

Hon. Gerry Ritz: Yes.

Mr. Steven Schumann: If the contractor hired an illegal, then they're not worried about liabilities at all. They're willing to take that chance to increase their bottom line. The liability and contracts don't matter to some of these people that come in.

Hon. Gerry Ritz: On a job that size, I can't understand it. Whenever I moved my equipment on to a unionized site, I paid dobie dues, and I had to have the certification up the wazoo, and all of that before I could even put another operator on the machine rather than myself. I don't understand how this is slipping through the cracks at the size and the scale that you're talking about.

Mr. Steven Schumann: First of all, to answer that, you said that it was a unionized site. We're diligent on unionized sites.

Hon. Gerry Ritz: It was the non-unionized sites I ran.

Mr. Steven Schumann: Yes, but we represent only a third. Up to 40% of the construction sites are unionized members, and 60% is done with non-union workers. Out of that, I can't give you a percentage or how much of that is illegal, but people cut corners to save. As you and I talked about, they game the system. People do. These are foreign companies. It's not domestic companies, but foreign companies are bringing workers in. There has been a long line in history of people abusing the system.

I can give you a couple of examples. With inter-company transfers, a company in Washington State brought in 12 foreign workers who did not meet any criteria. It filled out the forms and lied on the forms to say that these people were qualified, but upon further investigation, a judge found that 10 of the workers should not have been in Canada. They stopped the case because the job was done, the company no longer existed in Canada, and it was back in the U.S.

The Chair: Thank you, Mr. Ritz. I'm sorry, but your time is well over.

I'll remind panellists, and especially MPs, when you see the little red light going on there are only 15 seconds left, because we want to move on to another MP.

Hon. Gerry Ritz: We can't see the red light.

The Chair: I'll put it nice and high here.

Mr. Dhaliwal, they're trying to take some of your time, but I'm not letting that happen. Five minutes.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): My first question goes to for the senior vice-president and chief economist of Scotiabank, Mr. Perrault. You mentioned in general the benefits of the TPP. I have particular concerns about the privacy of Canadian businesses when banks will be dealing in those countries. Do you face those challenges now, or would it be even a bigger problem if we get into the TPP situation?

● (0925)

Mr. Jean-François Perrault: When we operate in whatever country we operate in, we respect the rules and regulations in place in that country and in Canada. That goes without saying.

The main advantage for the TPP from a financial services perspective is that it places our banks and our competitors in Canada on a level playing field with the domestic institutions. That is the fundamental aspect of it from a financial services perspective.

In terms of the privacy considerations, we respect the letter of the law in the various countries we operate in. I don't think TPP changes that. The main advantage is simply that we will be treated the same way as every other foreign bank is in whatever TPP country we go into.

We don't see it as a big challenge on the privacy side. We just see it as an opportunity for our customers.

Mr. Sukh Dhaliwal: Mr. Schumann, you mentioned that there are undocumented workers, particularly in British Columbia. Do you have any estimates of how many undocumented workers we have in Canada right now?

Mr. Steven Schumann: I don't have the exact number. I know the building trades in British Columbia have been looking at this, and I also believe that the Canada Revenue Agency has been trying to get a handle on it as well.

Mr. Sukh Dhaliwal: If we enter into the TPP, and you're concerned that those workers will be able to come in without any restrictions, would Citizenship and Immigration still be in charge of issuing visas to them?

Mr. Steven Schumann: When someone comes into Canada, when they have a job, they have to meet criteria to come in. They go to the work site, and the enforcement is done by ESDC and Service Canada. There are many different layers involved. Unfortunately, we've found that currently the regulated system of the temporary foreign worker program is not working very well. There is a lack of communication between two departments and one service sector, and so these people are slipping through the cracks. We don't believe that these people who are coming through will be qualified to work in Canada, so you're going to have underskilled workers, who are not going to meet Canadian standards—those in British Columbia or Ontario, for example—so there's not only the question of whether these people are going to stay, but there's also going to be a question of safety on a work site.

Mr. Sukh Dhaliwal: You mentioned work safety. I'm sure, WorkSafeBC and the employers are trying to implement those standards on sites irrespective of whether undocumented workers or bona fide Canadian workers are working on them. My concern is this. You already mentioned that the temporary foreign workers program has created more undocumented workers in Canada. It could be perceived that with the TPP there will be an even greater influx of those undocumented workers, and people might not go back. Do you see that happening?

Mr. Steven Schumann: I do, and again, a case in point—I can't remember the name—was a company in British Columbia that brought in a bunch of Polish workers, who were being underpaid. The company was charged and pulled up shop. It left, I think, 15 workers stranded in British Columbia, so the unions and some social assistance people had to start providing for these people. Some vanished; some got back home; one person committed suicide.

They companies that come in with some of these things, especially some foreign workers, don't care about the workers they're bringing in. Once they've done the job, they don't care what happens to them. If they go back, that's great; if they don't, that's not their problem. They've done the job; they got their money; they're going to leave.

Mr. Sukh Dhaliwal: Ms. Dey, do you see any amendments to ISDS provisions in the TPP, or do you see an alternative to this?

Ms. Sujata Dey: There are countries that refuse to sign agreements with ISDS mechanisms in them, including Brazil and South Africa. India also has an interesting view on investment. It is possible to be a trading nation and not necessarily sign ISDS. Obviously, if ISDS had reforms in the sense that human rights, environment, or labour standards were also enforceable, and you could actually sue, and there would actually be some teeth to them, then we wouldn't have a problem of a hierarchy of rights of investors over our domestic law. That's very important for us, because we really, truly, believe in the rule of law, whereby our laws and our constitution should have precedence rather than a narrow series of rights that are just for investors and that don't have the full body of legal mechanisms.

• (0930)

The Chair: I will just remind MPs not to throw questions at the panellists in the last 15 seconds, because I really do not like cutting off the panellists when they're right in the middle of a thought.

We're going to go on to the NDP.

Madam Ramsey, go ahead.

Ms. Tracey Ramsey (Essex, NDP): I'd like to dig a little bit further into chapter 19, because last week we had the IBEW, the building trades, here. They expressed to us the view that for previous trade deals, they wouldn't even have been sitting here, because this has never been part of a trade negotiation.

We know there are many abuses of the TFW program and that the program is extremely broken. As a matter of fact, there's another committee studying it in Parliament right now. By all accounts, in this chapter we're looking at the TFW program with absolutely no rules around it, with what I like to call the "roof blown off". We know that 58,000 jobs will be lost in Canada under the TPP. That doesn't include the influx that we would have due to the labour mobility chapter.

I'd like to offer my time to Mr. Shrybman.

We received a report from you earlier this year, through the Alberta Federation of Labour, which really opened our eyes to the labour mobility chapter. So I'd like to give you some space to continue what you were saying around chapters 12 and 19, if you can elaborate on that.

Mr. Steven Shrybman: Thank you very much.

I didn't finish my thought on chapter 19, so let me begin there.

I was saying that there's a modest step forward that one might take from the requirements of chapter 19, namely, that the parties put in place rules that give effect to the ILO declaration. The problem is knowing what would actually be required to give effect to those broad principles that are set out in the declaration. One has to have reference to the conventions, which actually put meat on the bones of protection for workers so they can organize and bargain collectively and they don't have to compete with child or prison labour.

The parties rejected including any reference to the convention in the text, so while the broad principles are there, one has no obligation under the TPP to give them effect by putting in place actual rules that will make them effective and enforceable.

There's also a requirement that countries adopt provisions concerning conditions of the work: minimum wage, unemployment, those matters. But there's no floor, so a country may have to have a minimum wage law, but it may not provide any meaningful standard of living, even within the frame of that particular jurisdiction.

What we have in the labour chapter is the promise of some protection for workers and for their core labour rights, so they can be guaranteed some minimum conditions of work, but there's none of the meat that you would need on those bones to make the protections enforceable and real and material. It's a step forward, but it's more of a claim to concern than it is a practical one that could actually result in meaningful enforcement.

In terms of labour mobility, I think the removal of any requirement that someone seeking to bring foreign workers into the country first establish that there aren't Canadian workers ready, willing, and able to take those jobs, is outrageous in my view. Under free trade, workers have to compete with workers in other jurisdictions that have no labour protection and aren't paid anything resembling a reasonable wage. Now they're going to have to compete with foreign workers in jobs here in Canada, subject to the same corrosive erosion of their claim to fair employment at a decent wage.

Ms. Tracey Ramsey: Mr. Ross, in the pork industry, you mentioned that there would be an increase in the number of jobs. You estimated there would be about 4,000 new jobs, I believe. Do you have a report that you can submit to the committee by which you came to that conclusion?

Mr. John Ross: Yes, we can certainly provide you with the report.

Ms. Tracey Ramsey: Perfect.

My other question is for Mr. Perrault. It's concerning that we have so many jobs that are leaving Canada and I wonder if you can talk about the impact this would have if we're looking at financial services. Would you see an increase in Canadian jobs in your sector? That's ultimately my question.

• (0935)

The Chair: A very short answer, sir.

Mr. Jean-François Perrault: The bottom line for us is that this is a deal that expands economic opportunity for Canadian firms, and if Canadian firms are doing better, which is what we think would happen, it means we will have more activity with them. That would be positive for us.

The Chair: We're going to move on to the Liberals.

Mr. Fonseca, you have the floor for five minutes. Go ahead, sir.

Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.): We have been listening attentively and each one of you represents a particular sector or a particular issue. This committee of parliamentarians is really entrusted with looking at how the TPP benefits Canadians as a whole, and Canada itself. Looking at it that way, we think about good-paying jobs here in Canada, about competitiveness, and about profitability. We've heard differing opinions here from the different panellists.

Mr. Schumann, when did you first find out that the U.S. was excluded from chapter 12?

Mr. Steven Schumann: We found out after New Zealand released the documents after the election. That was the first time.

Mr. Peter Fonseca: Was it a shock to you when you found that out?

Mr. Steven Schumann: It was a shock that they were excluded and that we were included. We were never approached. It's the first time ever that labour's been included. I know that we were asked why we didn't ask to reach out. We just assumed because labour was never included in past agreements, why would it be included in this agreement, and why would we even worry about it?

It was after the fact that we realized this was happening.

Mr. Peter Fonseca: It probably wouldn't have made a difference anyway if you would have signed-off on a confidentiality agreement, because the agreement had already been concluded with the United States.

Mr. Steven Schumann: Agreed.

Mr. Peter Fonseca: You mentioned Mexico being able to bring workers into Canada through a company. How about the United States? As our greatest trading partner bordering us—and they're being excluded from chapter 12—would they be able to bring up their infrastructure companies, contractors, and have them come in and do our work?

Mr. Steven Schumann: Only if a U.S. company decided to open a subsidiary in Mexico, Peru, Chile, or somewhere we've signed onto, would they be able to bring up workers. Maybe it's a possibility. I even think that some Canadian firms may open up subsidiaries in Mexico to bring up cheaper labour. There are opportunities, but direct mobility between Canada and the U.S.? It cannot happen.

Mr. Peter Fonseca: The title of the chapter is "Temporary Entry for Business Persons", but when you talk about some of the jobs that you've mentioned, those are people on the tools—

Mr. Steven Schumann: Agreed.

Mr. Peter Fonseca: —on the cranes, etc.

How would they be able to get on the tools, on those job sites, without being detected, because they're not seen as business persons, as professionals? They're actually on the job site.

Mr. Steven Schumann: There are four subsections in that chapter, correct. You can come in as a business visitor. You can come in as an intra-company transferee. You can come in as an investor. You can come in as a technician of a profession.

We believe they'll come under professions and technicians, because construction is listed as well as intra-company transferees. We found in the TFW that there was a grey area and that people could game the system through intra-company transferees, bringing people in that way to work in Canada.

So there are ways to bring people in and companies out there will look for ways to game the system, to bring in cheaper labour if they want to make a buck in Canada.

Mr. Peter Fonseca: This is an aside. We do know that we have a labour shortage when it comes to the trades. What we've done in the past under the temporary foreign worker program is completely broken. As well, this TPP would not really be able to address that in the way that would be of benefit to Canada and Canadians.

How do you see that being addressed? What do you think we should do?

Mr. Steven Schumann: There are a couple of things.

First, I'll be clear. We're not opposed to foreign workers coming to Canada. For example, a couple of years ago, we brought in 150 crane operators from Chicago through the TFW program to work in Alberta—legitimate system follow-through. In a time of need, we'd understand there's a need for foreign workers, but for the next little while, I don't think there's going to be much need for foreign workers, as we're facing more and more unemployment on the construction side, unfortunately, with the price of oil dropping.

The one thing they need to fix is the criteria for people to come in. For example, they have a category where you need a technical degree, post-secondary education, and four years of paid work. Mexican workers—no offence to Mexican workers—don't have the qualifications to meet the standards in Canada. I don't believe a training college or university in Mexico will have the skills or whereabouts to provide enough training to make these people qualified to meet the standards of Ontario.

One thing I would like to see—and we've been talking to the officials about—is a demonstration of skills. Perhaps if a person wants to come to work in Canada on a trade, they need to show that they can operate a crane that will meet Ontario standards. We could do it in Mexico. We could do it in Ontario.

The Ontario College of Trades does it right now. They have a long list of what you need to do. You need to pass the exam. You need to show that you understand hand signals and then you must do a demonstration of skills. If a person shows that and is qualified to work in Ontario, bring that person in. The more the merrier if they meet the qualifications.

• (0940)

The Chair: Thank you, sir. That wraps up your time and the end of the first round.

We're going to move to the second round and we'll start with the Liberals.

Ms. Ludwig, for five minutes.

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): I noted a couple of themes that we've heard throughout the consultations. One is the need for deeper and reliable economic analysis. Currently, we often hear about one particular study, but we certainly need further economic analysis, and I do believe that is forthcoming.

We heard about threats from the temporary foreign worker program. Ideally, that's being addressed by another committee that's studying that, as Ms. Ramsey mentioned. There is inconsistency in

the cost of new medicines and vaccines, and there are challenges in the sanitary and phytosanitary area regarding, in this case, the pork industry.

To date, we have not heard from the banking sectors, and that's where I'm going to start. Would Scotiabank be one of the most diversified banks in Canada in terms of its presence in international markets?

Mr. Jean-François Perrault: By far.

Ms. Karen Ludwig: As a foreign investor in one of the member countries under TPP, if Scotiabank is active in that market, would Scotiabank help a Canadian entity mitigate the risk of working with foreign partners?

Mr. Jean-François Perrault: That is part of our value proposition to our clients. We do that. We have expertise on the ground in the various countries we are in. We know the industries, sectors, and players; we can and do open doors; and we bank them in the way they need to be banked.

Ms. Karen Ludwig: Being one of the most diversified banks in Canada, operating in nine out of the 12 TPP countries, how competitive would Scotiabank be if you did not have a diversified labour force in Canada?

Mr. Jean-François Perrault: Every firm would say this, but in the service industry the labour force drives your ability to make money.

We have a labour force that represents the diversity of our client base and of the countries we operate in. We view that as a key strength in our ability to provide value to our clients.

I don't think we would be as successful as we are were it not for the fact that we have a globally integrated labour force. We very much think of it in those terms. We have global human resources. It's not Canada human resources and it's not Mexico human resources; it's global human resources.

Ms. Karen Ludwig: My next question is for Doctors Without Borders.

On May 31, Mr. Hamill, the chief of staff and vice-president of legal affairs for Innovative Medicines Canada, came before the committee. He said the TPP would not increase the cost of Canadian medicines, for the following reason:

Intellectual property protection does not drive the cost of new medicines. Besides, nothing in the TPP will prevent the Canadian federal, provincial and territorial governments from doing exactly what they do now....

How would you respond to that?

Mr. Jason Nickerson: As I understand those comments, they are specific to the Canadian context. Our concerns relate more to the countries in the context in which we work.

I don't feel I can comment adequately on the analysis of the impact on domestic prices of medicines in Canada. I'm not sure if my colleague in New York has any comments.

Ms. Judit Rius Sanjuan (Access Campaign Manager & Legal Policy Advisor, Doctors Without Borders): Thank you for the opportunity.

We strongly disagree with any assessment or statement made about the impact of stronger intellectual property protection on the prices of medicines. It's been amply demonstrated. We will provide written testimony where we highlight data that has been produced over the last 15 years showing how intellectual property protections that go beyond international agreements, like the TRIPS agreement, have a negative impact on the prices of medicines.

There is ample evidence of the impact of those provisions on the Canadian health system. We have more evidence from the United States health system. The U.S. system is currently paying the highest prices in the world for medicines and new technologies. This is because it provides longer periods of monopoly protection for pharmaceutical companies.

We will be happy to provide data explaining that link between intellectual property and high charges. This has also been heavily demonstrated by the World Health Organization, the World Intellectual Property Organization, and the World Trade Organization. The three organizations with a mandate on intellectual property and health have all released different studies and analyses that show that link. We will be happy to provide that information.

When you look at the impact of the TPP in Canada, it is important to consider not only the national interests of Canada from the impact of the TPP on the Canadian health system, but also across the world. We will provide data that shows that it's not in the national interest of Canada to promote a trade agreement that will do little for innovation and do more to deepen the rising crisis of high prices around the world. This is not only an issue for developing countries, but a global issue.

● (0945)

The Chair: We're going to move over to the Conservatives now for five minutes.

Mr. Van Kesteren, you have the floor. Go ahead.

Mr. Dave Van Kesteren (Chatham-Kent—Leamington, CPC): It's been an interesting discussion this morning.

Mr. Cunningham, what you're doing is obviously working. I think we've seen the numbers being driven down.

What's the Canadian Cancer Society's position, and are they planning for legalization of marijuana? Will they be pushing for the same kind of warnings on their packaging if the government gets involved in the sales?

Mr. Rob Cunningham: We don't have a position on whether or not marijuana should be legalized.

With respect to second-hand smoke, for many years we had a policy that wherever smoking is banned, you should ban smoking of anything, whether it's herbal cigarettes, hookah shisha, or marijuana cigarettes.

We've said to the government and others that there's a lot of experience with respect to tobacco control that can inform potential regulations on marijuana federally and provincially, and we're available to provide that experience to you.

Mr. Dave Van Kesteren: Good. Thank you.

I'm looking for a short answer here, because I want to go to Mr. Perrault as well.

Mr. Nickerson and Ms. Sanjuan, thank you for what you're doing. It's an incredible mission that you do.

I want to lay out a suggestion. I don't want you to really elaborate on too much of an answer, but just on this position. If pharmaceuticals are allowed to make a profit, doesn't it stand to reason that they would have more money to invest, and aren't some of the discoveries...? I'm going to take something like hepatitis C, which in the past would result in a liver transplant, but in terms of finding a drug that can take away, isn't that an argument as well that if we impede too much...? I understand that you're not in the business of profit. You're in the business of service. Doesn't that possibility exist as well?

Could I have a really short answer?

Ms. Judit Rius Sanjuan: Thank you for the opportunity to further elaborate.

MSF completely supports the capacity of pharmaceutical companies to make profits and to profit from bringing out new breakthroughs in pharmaceuticals. We have medical operations on hepatitis C, so we very much benefit from the new treatment and cures for hepatitis C.

What we think is unconscionable is to create a strategy for longer pharmaceutical monopolies beyond what currently exists under international law already. Just to give you the example of hepatitis C, for this new hepatitis C treatment, there are different prices around the world. In the United States right now, it's around \$1,000 U.S. per pill. That's \$84,000 per patient per treatment, while the same drug is available in generic competition and is available for less than \$1 per pill.

Mr. Dave Van Kesteren: Thank you. I was really looking for a short answer. I know that we could discuss this, but we really don't have the time to do that.

Here's what I want to do, Mr. Perrault. In essence, what we're finding here is that there's a pushback, but without exception—and when I say this, I always have to say “except Ford”—everybody in industry and everybody in business says this is a good idea.

I want you to elaborate to the committee and maybe just explain what would happen if we would do the reverse. I'm thinking about something like the real possibility of the United States becoming protectionist. What would the result be for Canadian businesses if we were to move in the opposite direction?

● (0950)

Mr. Jean-François Perrault: I think it would be quite dramatic, actually. The global economic and financial system, and ours in particular, has evolved to be one in which we are integrated with each other. In Canada's case, we are particularly integrated with the United States.

If we end up in a world in which the United States alters the rules of the game and decides to put up walls and put up borders, whether they're physical, regulatory, or legal, I think you are fundamentally altering the economic landscape. That, I think, would have very significant economic impacts for a very long period of time. It could be that after 10, 20, 30, or 40 years we will have adapted to a world in which that works very well. It's pretty hard to see that in the near term it would be anything other than fairly traumatic.

Mr. Dave Van Kesteren: I think we could probably look at examples. I'm going to take the example of Brazil, which has practised walls and tariffs there. It's quite a tariff system. Can we point to a jurisdiction and say, look, there's a jurisdiction that's thriving with moving in the opposite direction? Do you know of one?

Mr. Jean-François Perrault: No. Up until a couple of years ago, I think people thought Brazil was the example. What we've seen is that as you erect those barriers and shield your economy from competition to the extent the Brazilians have, it can have long-term consequences, in the sense that things aren't sustainable and eventually they can blow up. They don't necessarily need to blow up, and Brazil was a representation of a whole bunch of different issues, but it's certain conceivable that it would be the case.

The Chair: Thank you, sir.

We're going to move over to the Liberals now.

Madam Lapointe, you have five minutes. Go ahead.

[Translation]

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Thank you, Mr. Chair.

I want to thank the witnesses very much for being with us today. Given that I know Mr. Shrybman needs to leave at 10 o'clock, I'd like to ask you a question.

You referred to chapter 15, which is about labour law. Would you have any comments you wish to add, since you weren't able to finish what you were saying earlier?

[English]

Mr. Steven Shrybman: Are we talking about the temporary-entry-into-Canada provisions, or the labour chapter?

[Translation]

Ms. Linda Lapointe: Actually, I mean chapter 19.

[English]

Mr. Steven Shrybman: Chapter 19 is the labour chapter of the agreement. My comments are that while the inclusion of a chapter about labour in the TPP is a step forward, it isn't a meaningful one because the standards that a country must adopt and put in place are so ill defined as to be incapable of enforcement. While the labour provisions of the TPP are ostensibly enforceable, a country complaining about the failure of another to respect its obligations under the agreement must establish that there's an ongoing and recurring pattern of non-compliance, which is a far different standard from what applies to the enforcement of other provisions of the TPP.

There is ultimately nothing against which a country's efforts can be measured, because in respect of core labour rights, the authors of

the TPP pointedly rejected including compliance with the conventions, rather than simply the broad principles of the declaration.

With respect to conditions of work, not only is there no floor, but under the TPP a country may derogate from what limited protections it puts in place, other than in free-trade zones. We don't have any of those in Canada. So while—

[Translation]

Ms. Linda Lapointe: Thank you very much. I'm sorry to interrupt you and to not be able to continue this discussion with you, but I don't have much time.

Mr. Cunningham, my other questions are for you.

You worry that the places where cigarettes are produced will change when plain packaging is introduced. You said that Hong Kong and Australia changed the location of their production to get around the regulations. Is that right?

Mr. Rob Cunningham: The real fear is the tobacco companies launching legal proceedings against Canada.

• (0955)

Ms. Linda Lapointe: Okay.

Mr. Rob Cunningham: The health warnings are sound, and plain packaging is acceptable. The fact remains that, in order to eliminate any possibility of abuse, legal proceedings, or delays for Canada or for the other 12 countries, article 29.5 is very important.

Ms. Linda Lapointe: I know that the government will be looking at the issue of plain packaging of cigarettes. According to your information, Australia has had plain packaging since 2012. Has the smoking rate in Australia fallen between 2012 and 2016?

Mr. Rob Cunningham: It fell. Historically, it fell to its lowest level ever recorded among youth and adults. The Australian health department found that, to date, plain packaging has helped them reach their targets in that regard. It has been working very well.

Ms. Linda Lapointe: Okay.

What were the smoking rates in 2012 compared with those today?

Mr. Rob Cunningham: From 2010 to 2013, smoking rates fell from 15% to about 12.6%. The definitions are different from those in Canada. Over there, they do a national survey on smoking every three years.

Ms. Linda Lapointe: All right.

Do you know that right now, the proportion of Canadians who smoke is about 20%?

Mr. Rob Cunningham: Yes I do. There are still five million Canadians who smoke. We still have a lot of work to do in that regard.

Ms. Linda Lapointe: Thank you very much.

Mr. Rob Cunningham: Thank you.

Ms. Linda Lapointe: I am going to proceed quickly, as I don't have much time left.

Mr. Schumann, by opening our doors to foreign workers, whether these are engineers or not, do you think that more people will come to Canada to work or that more Canadians will go work outside the country?

[English]

Mr. Steven Schumann: There would be definitely more coming to Canada. I can't give you a number, but I see very few Canadian construction workers going anywhere, to any of these countries—maybe Australia in the wintertime, but they're not going to go to Mexico, Chile, or Peru. The work standards and safety there are much lower. The pay is much lower. There's no benefit for Canadians, unless they're really desperate for work and want to take a chance. There won't be any significant numbers.

[Translation]

Ms. Linda Lapointe: Thank you very much.

[English]

The Chair: Thank you.

We will move to the Conservatives now.

Mr. Hoback, you have the floor.

Mr. Randy Hoback (Prince Albert, CPC): Chair, quickly, with respect to committee, I'll bring this up right away before I start my questioning. I'm going to put forward a motion that the committee invite trade officials from Global Affairs Canada to answer questions on TPP on or before June 16.

The reason I'm making this motion is that there is a lot of contradictory evidence coming from certain members in this and other panels, versus what we've heard before from Global Affairs. I'd like some clarification.

I'll put that on the record. If there's unanimous consent, we can deal with it now. If not, we could deal with it on Thursday when we go in camera.

The Chair: We're going to have 50 minutes at the end of today.

Mr. Randy Hoback: So it's up to the committee.

The Chair: You put it on the floor. We'll deal with it when we're finished here.

Go ahead, sir.

Mr. Randy Hoback: Mr. Schumann, I'm just concerned. Some of the concerns you brought up are happening today. The province regulates the safety on work sites, is that correct?

Mr. Steven Schumann: Correct.

Mr. Randy Hoback: So are you saying the provinces have insufficient inspectors and people going around to inspect these work sites at this present time?

Mr. Steven Schumann: Yes. There are thousands and thousands of job sites. There are not enough people out there provincially on the job sites. There are three streams BMR. There's one where they check safety, but federally, enforcement is not happening with regard to the foreign workers coming in.

Mr. Randy Hoback: So you're saying, yes, then.

In that scenario, whether we have a TPP deal or any other trade deal, that scenario still exists at this present date, correct?

Mr. Steven Schumann: Yes.

Mr. Randy Hoback: So it's irrelevant whether we do TPP in regard to that argument about having unsafe workers. Whether

you're unsafe as a Canadian, say if I go on a job site and do a job I'm not capable of, or it's somebody coming in from Japan or somewhere else, it's the same. Wouldn't that be a wash for you as far as your support for or opposition to TPP in concerned?

Mr. Steven Schumann: No, because with Canadian workers if you are trained in Ontario as a crane operator, you're going to be a safe operator who understands the rules already. If you're trained in Mexico, I don't know if you actually know how to operate it.

Mr. Randy Hoback: This is why I brought in my motion, because I'm being told that these people would be trained, that they would have the standards and the qualifications. So that's the question I want to ask our trade officials to ensure that it's correct.

Mr. Steven Schumann: And—

Mr. Randy Hoback: Because I don't want anybody to be unsafe on a work site, just as you don't.

Mr. Steven Schumann: And that's a question we've had with officials right now, and we are not getting a clear answer. What they're looking at now is that if someone says I got trained at the University of Mexico, for example, someone then says okay, they've got the training, check mark. Does it mean that training is actually sufficient? Has anyone gone to check that school to see if it's sufficient?

Mr. Randy Hoback: You'd actually want to see certification.

Mr. Steven Schumann: Yes.

Mr. Randy Hoback: I agree with you on that. That's one of the questions I'd like to ask, for sure.

Mr. Ross, I have to go back to the pork sector because it's such a good success story, and it can be a really sad story if we don't have trade. There are examples of country-of-origin labelling. We've seen what happens to the pork sector when we don't have trade.

Maybe for the committee's benefit, could you just remind us again how important trade is to Canadian farmers and how important the pork sector is to the economy of Canada?

Mr. John Ross: Thank you very much.

Certainly, the majority of Canadian farmers at large are fully dependent on the export market and it really is what drives the business. We're a small country, but we have tremendous potential to provide really high-end products to the global marketplace.

We've seen on the pork side what happens when we lose access for whatever reason and we scramble to find our way again with the products that we have. It's one of the reasons that it's so very important for us to be involved in this agreement. If we get backed out of a market and we have no opportunity to go anywhere else, where do we go with that product? You can't store it. You can't pile it. You can't turn it off. When we shut off the infrastructure, the infrastructure is gone, it doesn't come back. For these reasons, it's super important for us.

Moreover, if we think about the rural economy and jobs in rural communities and if we do want folks to be able to live and make a living in rural Canada, this is what they're going to do it on. It's going to be on agriculture and our ability to sell into the global marketplace.

•(1000)

Mr. Randy Hoback: There's the domino effect. When I used to farm, we used to supply feed barley into the feedlots and into the hog industry, and I surely felt it when you guys weren't there. All of a sudden, I had to ship all that barley overseas at a substantial discount plus freight rates, plus time delivery, rail issues, and stuff like that. I think the domino effect could be in excess of how much per bushel, let's say, a price of a bushel of barley is at.

I would say a buck a bushel, but you're in the industry, and what would you see?

Mr. John Ross: I don't know if I could give you a reasonable price effect directly. We, of course, arbitrage with the United States on a daily basis and the ability to move grain into the Canadian marketplace is there. It exists. The challenge for us is if we get offside with our TPP, either in terms of opportunities to sell in that marketplace or the folks whom we compete with. So if the advantage goes to the United States because they're in and we're out, we're going to be seeing grain move south because there's going to be nobody to eat it in Canada. We need to keep these markets integrated so we can continue to be profitable. Without that, we're out.

Mr. Randy Hoback: Do I have more time?

The Chair: Your time is up. We're going to move on to the NDP for three minutes.

Ms. Ramsey, go ahead.

Ms. Tracey Ramsey: I'd like to focus my questions to Mr. Nickerson. I think what you brought up is so incredibly interesting because, on the one hand, we Canadians value our humanitarian efforts around the world. You mentioned, for example, the billion dollars we have spent on the vaccine initiative, the \$785 million going to the Global Fund. Then, on the other hand, we have these extended patent provisions in the TPP, which will ultimately make drugs cost more. We heard that pretty clearly from the generics and the pharmaceutical industry last week.

I'm wondering if you can speak a little bit about the broken research and development that you mentioned and the relationship between patent extension and potential innovation in pharmaceuticals.

Mr. Jason Nickerson: Absolutely. I'm actually going to turn it to my colleague, Judit, in New York, who has been following quite closely these conversations that have been held at the World Health Assembly and in many other international fora. So, Judit, I'll ask you to answer.

Ms. Judit Rius Sanjuan: Thank you for the opportunity to further elaborate.

There's global recognition right now that the current research and development system that's on the capacity to charge high prices to recover research and development costs is failing in many different ways. I was at the World Health Assembly two weeks ago, where Canada and all the member states agreed to a variety of resolutions that tried to address these issues.

First, the current innovation system does not address many unmet medical needs. Here in New York today, we're also meeting about the failure of the current innovation system to address unmet medical needs, specifically antibiotic resistance. There's little innovation

going on with regard to antibiotic resistance, because a system that promotes research and development based on monopolies and high prices also promotes overuse and consumption problems with antibiotics. Of course, there are all the challenges with affordability of new medical tools. Innovation that is unaffordable is meaningless.

To further elaborate on the hepatitis C example, I think it is a perfect example. Jeffrey Sachs estimates that the private investment on research and development on boceprevir, the first cure for hepatitis C treatment, was \$300 million. That cost, or that investment on research and development, has been recovered 34 times in just the first year of sales of Sofosbuvir. That company, Gilead, has made more than \$10 billion in just the first year alone in selling Sofosbuvir. The CEO of Gilead has just made, in compensation, in the first year the product was on the market, more than \$600 million, so double the investment on research and development.

So the TPP in a way is a missed opportunity to address the failings of the current R and D system, and it contradicts the efforts being promoted both at the World Health Assembly and here in New York, including a UN high-level panel on access to medicine that has been launched by Secretary General Ban Ki-Moon, which has currently been trying to find solutions to break that link between research and development costs and investments and high prices of medicines. We would be happy to provide further evidence.

Thank you.

•(1005)

The Chair: We're going to the Liberals now. Mr. Peterson, for five minutes. Go ahead, sir.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): I want to thank everybody for being here today. I think we have a very informative panel and it's nice to see such a diversity of industries and organizations represented here today.

I have a couple of questions. I'll start with Mr. Ross. Your council is from pork producers across Canada. What regions of Canada have more pork farmers than others?

Mr. John Ross: Certainly, the vast majority of production would be in Quebec, Ontario, and Manitoba, about a third each. The remainder are in the rest of Canada.

Mr. Kyle Peterson: Following up on that, if we are able to open up Asian markets, like the TPP would, do you have any concerns about our being able to access those markets and logistically getting the goods to those markets with the current transportation systems we have?

Mr. John Ross: Quite frankly, no. We do it every day now and we've not pushed the envelope where we can't do more. Obviously, if there are work stoppages and some anomalies out there, it would be a problem; but, no, we're fine.

Mr. Kyle Peterson: That's an issue that would probably need some addressing, to be able to efficiently capitalize on any new markets.

Mr. John Ross: Not on the transportation side. We're not seeing it there. There may be some other challenges out there, but so far that's not one of them, touch wood.

Mr. Kyle Peterson: Okay, that's good.

Mr. Perrault, it's nice to have an economist at the table here. There has always been some concern expressed by members of this committee and others that there is no economic analysis of the TPP holistically. Such an analysis may be fraught with some risk in any event, and I'm not sure if we're going to get a clear answer that this is a good or a bad thing. As you know, there are going to be some assumptions made in any analysis that may or may not be correct. But on any analysis that you've done in the financial services sector and as Scotiabank—and I appreciate that you're new to your role—do you see this as being not only.... You've mentioned it's a net positive for Scotiabank employees and that it's going to create Canadian jobs, but do you see this more broadly in the financial services sector as being a positive for Canadian employment?

Mr. Jean-François Perrault: Yes, without any question. I think you have to look at it from three different perspectives. One is the perspective of our not being in the deal and the limits on economic opportunity that would flow from that. There are different perspectives on this, but given that we think the deal is positive, not being in the deal would be a negative. It would shut us out from opportunities that we'd otherwise be able to capitalize on, either as a bank or an economy, and the financial system would participate in that, obviously.

The second is the opportunities that it provides in the short run, in the sense that we are opening markets. Canadian firms will benefit from that and, obviously, the financial industry will be banking the firms that benefit from that, so there is an advantage there.

I think the third and longer-term aspect, which is possibly even more beneficial, is competitive pressure. There's very well established literature on this, that opening markets increases competitive pressure, that competitive pressure increases productivity, and that productivity is the basis upon which the standard of living increases. Over a longer period of time, as we open markets, develop, and become more competitive, our standard of living increases. That's great for all Canadians and, obviously, it's great for the financial industry as well, because we bank Canadians.

I would look at it from those three different perspectives.

• (1010)

Mr. Kyle Peterson: I appreciate that because I think that part of the analysis has to be of a scenario where there is a deal and we are not in it, as opposed to the status quo.

Ms. Dey, I'd like to ask you a question on the ISDS. I appreciate your position that a trade deal doesn't necessarily have to have any sort of ISDS provisions, and there are many that don't.

Not specifically with regard to this ISDS but generally, can an ISDS protect Canadian investors? Isn't that the value of it for Canadians? If the pork producers are going to be in Japan or Mexico, or Scotiabank is opening up new offices in Chile, to make those capital investments, wouldn't they want some protection when they are operating in that foreign jurisdiction?

Ms. Sujata Dey: That's what they said about NAFTA, especially when we included Mexico, that we were going to need those protections for investors. However, most of the suits under NAFTA have been against Canada, so the kind of protection that we are

getting out of it isn't necessarily worth it. When you look at NAFTA, the Americans have not lost one suit under it.

In certain cases, as well, our companies should not have been protected. For example, we at the Council of Canadians have looked at certain cases in the mining sector where people have changed their laws for environmental reasons or public safety reasons. Those kind of things are quite unacceptable, and we need to think broadly not just about investor protection, but also the other things that we're not being protected from under these agreements.

Mr. Kyle Peterson: Thank you. I think my time's up.

The Chair: We're going to move to the Conservatives.

Mr. Ritz, you have five minutes. Go ahead.

Hon. Gerry Ritz: Just to clear the record a little bit, there has been a lot of talk about suits and so on, and certainly we have been sued, but the actual dollar value of those has been \$170 million—\$130 million of that was Danny Williams' nationalization of Abitibi—out of a \$5.4-trillion economic driver. It's almost a cost of doing business; any lawyer will tell you that. It goes more to our legal system than it does to the trade rules. I just wanted to verify that and put that on the record.

I want to move to Mr. Nickerson. As far as I understand it from other witnesses, investments in new cutting-edge technology and pharmaceuticals lead to the creation of generics, as those drop off. We also have a situation under TPP where Canada is at eight years now in terms of biologics coverage, and the Americans are at twelve years. They'll be dropping back to eight. Don't you see that as a good movement to create the much-needed medicines that are going to be required?

Mr. Jason Nickerson: Judit can answer that best.

The Chair: Go ahead, Judit.

Ms. Judit Rius Sanjuan: The TPP is a missed opportunity to promote innovation on biomedical technologies. The first letter that we sent to the Canadian government and to all TPP countries nearly four years ago asked for a TPP that would promote innovation and access for all, and really brought the agenda that's been agreed and negotiated at the World Health Organization for all members states for many years for a better innovation system.

The TPP instead has created an international standard that will affect Canada as well as all the other TPP countries and beyond, because, as you know, it's an agreement that is designed to extend beyond the current 12 countries. Its aim is basically to promote and duplicate the U.S. health system and the U.S. intellectual property system abroad.

Hon. Gerry Ritz: They're dropping from 12 to eight.

Ms. Judit Rius Sanjuan: Specifically on the provision on data inclusivity, the initial demand was for 12 years, and the text is much better than the initial demand. I completely agree with the member of Congress who made that remark. Currently five to eight years is better than 12 years, but if you look at the evidence, including, for example, from the U.S. Federal Trade Commission that analyzed the initial proposal of 12 years that was created under U.S. law and was part of the Affordable Care Act—

Hon. Gerry Ritz: Thank you, Mr. Chairman. I'd like to move on if I could.

The Chair: Yes.

Hon. Gerry Ritz: Thank you for that.

The Chair: You have to answer to a delay. You have to give it a second.

Hon. Gerry Ritz: I get that. I also understand that India is the largest generic manufacturer of AIDS medicines and so on. They're not involved in the TPP, so there should be no change to the availability there.

I do want to move to Mr. Ross for a moment and ask about China, a new and emerging market that's not involved in the TPP. Do you see our moving forward with an agreement with China, but having more strength in doing that if we sign TPP and have the other 11 countries in our hip pocket as we start to negotiate with China? Would that be a better case scenario?

Mr. John Ross: Let me step back. China is an extraordinary market for us with tremendous potential. The Chinese pork market, as we speak today, is supporting global markets as it deals with restrictions in Russia and the like. The degree to which we can either encourage the Chinese to join TPP and come on board, or as a TPP member when we approach them, it is to our advantage. We look forward to better opportunities in China and to a little more secure access there, as we go forward, because of the markets that are outside the TPP, that's the big one for us.

•(1015)

Hon. Gerry Ritz: And we've had some early discussions with the ASEAN group of countries that China is working to push back on TPP, where there are tremendous market opportunities as well.

Mr. John Ross: There is, and we specifically look to Vietnam as an opportunity for tremendous growth in the short run.

Hon. Gerry Ritz: Great. Thank you.

The Chair: You still have a minute or a half a minute. You're all good?

Hon. Gerry Ritz: I'll take it.

I'm just kidding.

The Chair: We have time enough for two more slots for the MPs, and these are going to be about three and a half minutes each, because Mr. Ritz gave up his minutes.

Go ahead, Mr. Fonseca, for three and a half minutes. Then we'll go to Ms. Ramsey.

Mr. Peter Fonseca: Mr. Cunningham, were all of your concerns addressed by the carve outs in chapter 29?

Mr. Rob Cunningham: I think it's an important provision, and along with the other health exceptions that could also be used, and the fact that plain packaging is not an expropriation, we're satisfied that plain packaging is fully consistent with the TPP by implementing it in Canada.

Mr. Peter Fonseca: To Mr. Nickerson, I don't know if you have this information, but what percentage of your costs would be attributed to brand drugs, or IP protected products or services? Have you looked at that?

Mr. Jason Nickerson: We do have an analysis of that, I believe. I don't have the data immediately in front of me. I'd rather not venture a guess, but I can provide that to you.

Mr. Peter Fonseca: Ms. Sanjuan may know.

Ms. Judit Rius Sanjuan: Around 96% of the products we currently use to treat the three diseases of HIV, TB, and malaria are generics. That gives you an idea of the impact of generics in our medical operations: 96%. It's similar numbers—

Mr. Peter Fonseca: You're saying only 4% would be affected?

Ms. Judit Rius Sanjuan: Yes.

Mr. Peter Fonseca: What percentage would that be of your overall costs? What percentage, 1%?

Ms. Judit Rius Sanjuan: No, no, I'm not saying that. My apologies for the confusion. I'm saying that we, as well as the Global Fund and ministers of health around the world, are highly dependent on the continual availability of the generic competition that has brought the prices down, including for one disease by—

Mr. Peter Fonseca: I'm sorry. Maybe you misunderstand my question.

Ms. Sanjuan, I'm trying to find out how your costs are affected by IP-protected products and services today. What is that makeup of your costs?

Ms. Judit Rius Sanjuan: It means that if the TPP gets in place in current form, we would be negatively impacted, because we would have to spend more on pharmaceuticals and have less capacity to have access to affordable generics. That will have an impact on human life and costs.

Mr. Peter Fonseca: I understand that.

We had a witness, Barry Sookman, at our committee in May of this year. He's a trade lawyer. He said that other countries, such as those in Europe, have more robust patent protection and yet their prices are lower than Canada's. So there isn't a one-to-one relationship between the entry into force of free trade agreements and increases in drug prices.

Can you tell me if what he said is accurate, and if so, why are drug prices higher in Canada than other jurisdictions where drug manufacturers have a longer period of IP protection?

The Chair: They will have to be very quick answers.

Mr. Peter Fonseca: Mr. Nickerson would have an idea on this.

Mr. Jason Nickerson: I'm not entirely familiar with the context of the statement. I'd prefer to provide a written answer.

In our experience, we do see that correlation between stronger intellectual property provisions and higher drug prices. It stands to reason that as you have only one manufacturer on the market, which is able to retain higher prices and no competition, the prices are going to remain high. In our experience, stronger IP protections do result in higher prices.

The Chair: Thank you, sir.

We're going to move to the last questioner from the NDP.

Go ahead, Ms. Ramsey, for three and a half minutes.

Ms. Tracey Ramsey: I just want to add to something that Mr. Perrault said.

You mentioned three things, or three of your perspectives, when you're looking at the TPP. I want to add a fourth, and that's people in communities and the health and well-being of Canadians.

My question is for Ms. Dey. The Council of Canadians has been doing a lot of work to educate Canadians on TPP in particular, but on other trade deals as well. We've heard from Canadians. We've had open sessions in our last travel period. We had 60 people come forward, largely against the TPP. Their concerns centred around ISDS and the increased costs of drugs for Canadians.

I wonder if you can speak to us a bit about your efforts with Canadians and whether or not you feel they're being consulted fully.

• (1020)

Ms. Sujata Dey: Right.

We've actually had a lot of our people—we have members all over the country—who have been quite disappointed to this point with the consultation process, particularly with the minister. Your initial consultations were meeting with stakeholders, and these were called open consultations, but we were often receiving press releases to show up at them just 24 hours before they were held.

This committee has done a better process of consultation, in the sense that we have a variety of opinions here and you are actually

going across the country. We applaud you on that. However, to the same point, they are not very well advertised. Often there are people who have frustrations because they're not necessarily getting a chance to speak. Also, we think that a consultation process isn't just about releasing a 6,000-page document and saying, "Okay, here you go. Analyze it as you wish." In other countries, for example in Australia, they have a productivity commissioner who has actually done an analysis.

When I talk about analysis, I mean independent analysis, not analysis that's going to try to promote the agreement. It's to give Canadians the pros, the cons, and to let them have the information to decide. Also, for us, it's very important that the government has made commitments to first nations people. They're often on the front lines of resources. They could also be in situations where ISDS cases would affect them. For example, Malaysia has a company called Petronas on Lelu Island. A comprehensive consultation is also breaking it down, making sure that you do not have just the economic interests considered, but also how it affects human rights, how it affects broader society, and then having the kind of consultation that people can go with.

We're stuck in a situation where we negotiated an agreement during the last federal election without even all of the parliamentarians around the table. I think there is a great opportunity to address that.

The Chair: Thank you.

That wraps up today. I'd really like to thank the panellists for taking their time to come here. We had a very good, informative, lively dialogue, and it was good to see you here. Thank you very much.

We're going to break now and go in camera in five minutes, so I'd ask everybody but the MPs to leave the room.

Thank you very much.

[Proceedings continue in camera]

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