



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on International Trade

CIIT • NUMBER 133 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, November 29, 2018

Chair

The Honourable Mark Eyking

Standing Committee on International Trade

Thursday, November 29, 2018

• (1100)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)): I call the meeting to order.

Good morning, everyone. This morning our committee is going to embark on the Canada-Israel Free Trade Agreement.

Before we get into the clause-by-clause on that, we are very fortunate to have with us Mr. Carr. Welcome, sir.

As you're well aware, we're a very busy committee. We've accomplished quite a bit in the last couple of years. We've dealt with the European agreement, TPP, CPTPP, the Pacific Alliance, and the ASEAN countries, and of course one of the big ones was the whole North American agreement. We had studies also on the tariffs and the impacts of the tariffs on steel and aluminum. Today we're going to be doing the Canada-Israel agreement. We're a very active group. We have lots more on our plate in the upcoming months.

Thank you for coming. You know the routine. You have the floor, then we have almost the whole hour with you.

We want to stay focused, of course, on the Canada-Israel agreement, but if an MP has another question that's pertinent and not too political, it's good to go. I'd like to keep the questions short, and then the answers short, so we can get everybody to have a round.

Without further ado, Minister, you have the floor.

Hon. Jim Carr (Minister of International Trade Diversification): Thank you, Chair.

I recognize that we are, after all, politicians, so occasionally a question might be political, and that's fine with me.

Let me start by thanking you all for the important work that you have done and that you continue to do. You say the plate is full, but it's full with some pretty terrific ingredients that make for a meal for Canadians—a meal from which there will be growth and jobs for Canadians. That is facilitated by the excellent work you do.

I'll just say, as an aside, how much I honour the role of parliamentary committees. You really are the guts of our parliamentary system. This is the place where politicians are held accountable. This is a place where the ideas are debated respectfully. This is a place where the people of Canada can be well-assured that the business of running our country is in the hands of accountable, and in the case of this committee, thoroughly competent and able parliamentarians.

Let me start by thanking you for the very good work you do for our country, as well as for the opportunity today to talk about Bill C-85, an act to amend the Canada-Israel Free Trade Agreement Implementation Act and to make related amendments to other acts.

Canadians understand the importance of trade to our economy, and how much more important can it be than what Canadians have seen over the last number of months? For this reason, the government has pursued an ambitious trade negotiation agenda, the primary purpose of which is to diversify trade.

I'll give you a few examples of this—and Chair, you've mentioned some of them. Just last month Canada ratified the CPTPP with a speed reflecting the importance of this deal to farmers, ranchers, entrepreneurs and workers across Canada, and on December 30, as members of the committee know, Canada will add Japan, Singapore, New Zealand and Australia to our ever-growing trade network, with Vietnam joining the list early in the new year.

I'll pause for a moment just to say how quickly this agreement made its way through the House of Commons and the Senate, which is a tribute to the co-operation among parties as well as the importance of moving it quickly. We have a material advantage as a result of that speed that put us in the first tranche of six nations, giving the wealth creators an advantage over others that didn't make it quite so quickly. For all of your co-operation to make that happen, thank you again.

In September the government announced it had reached an agreement with the U.S. and Mexico. Our ambition throughout these negotiations was to make sure we had secure access to these markets, which are the most important markets in the world for us, and we achieved that goal.

Also in September we marked a one-year milestone for provisional application of the trade agreement with the European Union, the Canada-European Union Comprehensive Economic and Trade Agreement, or CETA, and in this past year Canada added \$1.6 billion in increased exports to Europe and saw a 20% growth in container traffic at the port of Montreal.

We've had a new agreement with Ukraine in place since 2017, and we are working toward ratifying a modernized and inclusive trade agreement with Chile that will distinguish Canada as the first G20 country to adopt a gender chapter in a free trade agreement.

The government is actively pursuing opportunities in other important and fast-growing markets, and it's making inroads. Canada is in negotiations with our partners in the Americas, in the Pacific Alliance and Mercosur, and exploring possible negotiations with ASEAN.

Taken together, we have 14 free trade agreements covering 51 countries, connecting us to 1.5 billion of the world's consumers.

While market access is vital, alone it does not create jobs and prosperity for our people. Our businesses need the right tools to actively pursue international opportunities, especially in markets covered by our trade agreements. That's why the fall economic statement proposes an export diversification strategy to help grow Canada's overseas exports by 50% by 2025, with more help for small and medium businesses to help them explore new export opportunities.

The metaphor, colleagues, that I use is that these trade agreements are bridges negotiated by governments, but what has to cross those bridges are investment dollars, goods, services and people.

• (1105)

Government sets the stage and government helps build the platform, but it's the SMEs that create the growth and the wealth. That's the partnership between government and the private sector that holds so much potential for us creating jobs so necessary for Canadians.

Recently I travelled to Asia, where I joined the Minister of Finance, Mr. Morneau, for the inaugural Canada-China economic and financial strategic dialogue. The discussions resulted in 48 tangible outcomes, including a commitment to modernize the WTO, strengthen co-operation on patents and trademarks, and co-operation in leading the global transition to a lower-carbon economy.

Canada also secured deals for the short term. Canadian businesses, Atlantic premiers and agriculture minister Lawrence MacAulay, my colleague, were prominent at the recent International Import Expo held in Shanghai. Our presence paid off to the tune of \$1.67 billion in deals for Canadian businesses in life sciences, agrifood, aerospace and transportation.

I was just in Edmonton and Saskatoon, and while in Edmonton, I celebrated a deal between the Edmonton International Airport and EHL for China, which will establish Edmonton as an important North American hub for e-commerce and the movement of goods between Canada—and, in fact, all of North America—and Asia. This is a tangible outcome of the work we have been doing and will result in both growth and jobs.

In addition to China, I accompanied our Prime Minister to Singapore to attend events surrounding the annual summit of the Association of Southeast Asian Nations, or ASEAN, and their leaders. As members are aware, the ASEAN market is a significant one, with a population of nearly 643 million people and an ever-expanding middle class, representing the world's sixth-largest economy as a group of 10 countries. The visit, my second since becoming minister, was an opportunity to highlight Canada's comparative commercial advantages, to advocate for intensified exploratory discussions on a possible free trade agreement with ASEAN, to promote Canada as an attractive investment destination

and partner, and to mark the success in southeast Asia of some of Canada's most innovative companies.

Our efforts signal to the world that trade matters, that rules matter and that we will not be drawn into the world of protectionism. Canada's commitment to the rules-based order is an essential strength, and we will put it to work for more Canadians. That's why I convened a ministerial meeting in Ottawa last month on World Trade Organization reform, which resulted in a clear message of support for the rules-based multilateral trading system and a common goal to take urgent action to strengthen and modernize the WTO.

We firmly believe our international trade relationships are mutually beneficial. This is demonstrated in the modernized Canada-Israel Free Trade Agreement, or CIFTA. Since CIFTA first came into effect more than two decades ago, Canada's two-way merchandise trade with Israel has more than tripled, totalling \$1.7 billion in 2017.

Canada and Israel agreed in 2014 to modernize CIFTA, which at the time was a goods-only trade agreement. The result of those negotiations is an agreement that updates four of the original chapters, including market access, and adds nine new chapters, including intellectual property and e-commerce.

I pause here to acknowledge the work that was done by the previous government, by Ed Fast, and to say that it was very important work that built the platform upon which we have this now modernized agreement. I recognize that contribution to Canadian trade and thank you for it.

We have negotiated rules that are designed to help address non-tariff barriers, to contribute to facilitating trade, to make more trade possible and predictable, and to cut red tape, reducing some of the costs to companies for doing business. Once the agreement is in force, close to 100% of all current Canadian agriculture, agrifood and seafood exports to Israel will benefit from some form of preferential tariff treatment, up from the current level of 90%.

Meaningful market access for Canada's agriculture and agrifood processors was a key interest for these negotiations, and the government delivered, including unlimited duty-free access on sweetened and dried cranberries, on which the current tariff is 12%; baked goods, on which the current tariff is up to 8%; and pet food, which has a current tariff of 4%.

These important tariff outcomes for the agriculture and agrifood sector placed Canada on a more level playing field with exporters from the United States and the European Union, key competitors in this sector. They also give Canadian companies a leg up on competitors in other countries that do not have a free trade agreement with Israel.

• (1110)

In exchange, Canada agreed to eliminate tariffs on certain targeted Israeli agriculture and agrifood imports, such as certain fish and certain nuts, some tropical fruits, and some oils.

I want to reassure all honourable members and all Canadians that the modernized Canada-Israel free trade agreement, like its predecessor, fully respects Canada's supply management system. I am pleased that the negotiated outcome has the support of key Canadian agricultural stakeholders, including Pulse Canada, the Canola Council of Canada, the Canadian Vintners Association and companies involved in the processing of potatoes, cranberries, soybeans and pet foods.

An important aspect of the modernized CIFTA that aims to ensure these opportunities are more widely shared among Canadians is its forward-looking framework, which includes new chapters on trade and gender, small and medium enterprises, and labour and the environment, as well as a new provision on corporate social responsibility. In this regard, the modernized agreement is a new forward-thinking partnership that reflects who we are as vibrant, diverse, open and democratic societies.

I had the opportunity to witness this first-hand during a recent visit to Israel. For those here today who may not know, Israel has a long-standing reputation for technological prowess, with a well-developed scientific and educational base.

We see room to expand and build partnerships in these sectors and many others. There are tremendous opportunities for Canadian companies in sectors such as aerospace, smart mobility, sustainable technologies, information communications technology, life sciences and energy.

When I was in Tel Aviv in September, I announced a pilot program to facilitate new cybersecurity solutions for the energy sector that will consider Israeli solutions to address the needs of Canadian natural gas delivery companies. There are also great prospects for forging increased partnerships in joint research and development.

Mr. Chair, I also visited Ramallah in the West Bank and had an excellent day of conversations with business leaders and government representatives. In Ramallah, we established the Palestinian-Canadian Business Council for the first time and made a significant contribution to women entrepreneurs. We felt very satisfied that we had that very important conversation with Palestinians in Ramallah.

Canadian and Israeli firms have joined forces to develop an ultraviolet water monitoring system that ensures the safety of drinking water. There are even more possibilities on the horizon that will change countless lives in communities around the globe.

With so much potential and opportunity on both sides, it simply makes sense that we work together to deepen our partnership and continue to knit our economies ever more closely together. Canadians want to do more business in and with Israel in the years ahead. A modernized free trade agreement between our countries is a surefire way to help make that happen.

Thank you, Mr. Chair. I welcome our conversation coming up.

● (1115)

The Chair: Thank you, Minister.

You alluded to the SMEs. I'll let you know, and you probably do know, that our committee is doing a study right now. With all these trade agreements, we want to see how small and medium-sized

enterprises can take advantage and plug into these agreements. I welcome you to see the results. We have had some really good presentations so far from many stakeholders, and some good ideas for the government.

We're going to go to dialogue with MPs, and I'd like to welcome some who are visiting us: MP Tabbara, MP Wagantall and MP Ste-Marie. Welcome to our committee.

Without further ado, we're going to start off with the Conservatives.

Mr. Allison, you have five minutes.

Mr. Dean Allison (Niagara West, CPC): Thank you, Mr. Chair, and to the minister, welcome, in your new role. I realize it's been over four months, so it's great to have you here for the first time. I also want to recognize your officials who are with you who I think always do excellent work on behalf of Canada.

Thank you, guys, for what you do.

We're obviously going to support this trade deal, so I will just get that out of the way right now. Thank you for recognizing the work that our former minister did. I'll do the same thing. I appreciate some of the things in the economic statement—not all of them, but obviously the accelerated capital cost allowance is important for business. We've heard that here.

I think the increase in SIF funding, or the strategic innovation fund, is good. The challenge remains still that SMEs don't qualify for that. As we've seen happen as a result of tariffs, specifically while the strategic innovation fund is good and helpful, it's only really good for larger companies.

One of the questions I want to talk to you about is competitiveness. That's always the challenge. I agree that both our governments have been very similar in trade deals and I think it's important as we move forward, but I think the challenge still remains that we lack a competitive advantage when it comes to a number of different issues in the economy. The challenge I have right now is it's great that we have trade deals, but if we're not competitive at home, it makes it difficult as we move forward. We can talk about the energy sector.

There are a ton of things, but my concern is that there have been major regulatory reforms in the U.S., as well as tax reform. This is our largest trading partner. I'm not going to talk about carbon tax and I'll leave that to my partner, but one of the challenges is that we're not nearly as competitive as we need to be. I'd just like to offer you a quick comment on that. Then I have another comment on trade commissioners.

● (1120)

Hon. Jim Carr: Competitiveness is extremely important, and it's across all sectors of our economy. That was recognized in the fall economic statement. You made reference to the accelerated capital cost allowance, which is very important.

I had an interesting conversation with an international CEO, a woman, while we were in New York for the United Nations General Assembly. I asked where Canada fits in competitively internationally, because she was in the business of moving billions of dollars around the world. I asked her, “When you look at Canada, what do you see?”

Her answer was very interesting. It was that on the regulatory and tax front, it's about a wash—that you had an advantage over the Americans, but the Trump tax cuts levelled that playing field. However, your major competitive advantage in Canada is your immigration policy and your access to talent, and your understanding that Canada's labour pool is not bound by Canadian borders but is the world. There is an international competition for workers—and not only skilled workers, colleagues, but also for semi-skilled workers, even for unskilled workers, right across the requirements of a modern economy such as ours.

Therefore, when you say “competitiveness”, let's not forget that there is also competition for talent internationally. That's where Canada not only succeeds but excels, not only through the minds of Canadians but of those international entrepreneurs who are looking to invest in various countries. It's also important to say that it comes at a moment where Canada's inclusiveness is in contrast to the policy of other nations.

Mr. Dean Allison: Thanks, Mr. Carr.

The Canadian Federation of Independent Business said that 60% of their SMEs have never heard of the trade commissioner service. We understand this has been a recurring theme as we've talked to SMEs. What are you guys doing to help push that message out? I think about what our trade commissioners and EDC and BDC do, and it's all great stuff, but the challenge is, how do we get this knowledge out to our SMEs so that we can take advantage of these trade deals?

Hon. Jim Carr: I agree with the premise of your question. We haven't done well. We have to do better. How do you do better? Step one is to make sure that the SMEs know about these programs we're offering for them. They don't, so the first order of business is to raise awareness across the country that we have these tools.

Colleague, I can tell you it's \$100 million over six years for CanExport, \$17 million over five years to expand the Canadian technology accelerators, \$10 million over three years for export readiness, \$25.4 million over the five years for digital IP. There's more. There is \$60 million over five years for the trade commissioner service's digital presence. I could go on, but the point is that we're with you. We would encourage all members to join the conversation about how imperative trade diversification is.

Let me give you an example of what you can do as a member of Parliament—

The Chair: You'll have to be quick, Minister.

Hon. Jim Carr: What we can all do as members of Parliament is hold town halls to send out communication within our own ridings to businesses to tell them what's available.

We've had a conversation in our caucus. I would encourage you to have conversations in yours.

The Chair: Thank you.

We're going to go to the Liberals now. Mr. Sheehan, you have the floor.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much, Minister. You certainly hit the ground running. I've been watching your movement across this world, and you've been in many parts of the world promoting Canada. I appreciate that very much.

I'm from Sault Ste. Marie, and we're known as a steel town. That's our traditional base of business. However, through many years of efforts we have also diversified significantly into clean tech, innovation, and technology. We have an innovation centre. We have many small and medium-sized businesses working in the information technology business in clean tech. We're a microcosm of what's happening in Canada as a whole.

I was very interested in hearing your remarks about your trip to Israel. Could you share with us and delve into some of your experiences in the meetings you had in Israel as they relate to information technology? Were there any businesses you met with that you thought were interesting in clean tech and related industries? Even in Sault Ste. Marie, we have the Ontario Lottery Gaming Corporation, a \$2-billion corporation that deals in different solutions related to online gambling. They also, however, have a big security presence. Could you share that with us, Minister?

• (1125)

Hon. Jim Carr: Israel is a leading nation in the world in start-ups. There have been books written about Israel as a start-up nation. It's a remarkable story of how a partnership between the chief scientist of Israel and entrepreneurs has led to such dynamic growth. When we were there, we were so impressed by how that growth has developed into almost a national culture of pride, and they have been able to lead the world. We look for ways to deepen and broaden our own relationships with Israeli entrepreneurs and Israeli scientists and also to learn as a government how public policy can facilitate growth within the private sector.

There are chapters within CIFTA that will reflect this by further enhancing e-commerce. There's a chapter on e-commerce alone, and on IP. There's a recognition within the agreement of the importance of those kinds of technological transfers and learning from what the Israelis have done.

At the same time, while we were impressed by what they have accomplished, they in turn were impressed by what we are accomplishing. We see more and more—and I saw it as recently as the last few days in western Canada—just how swiftly we are advancing in e-commerce and in IP. There is a natural relationship between Canada and Israel on this file. Also, don't forget the importance of the people-to-people ties that actually go back, historically, right to the birth of the state of Israel, and the ties between Israelis and Canadians, which are very deep and continue to deepen. That's also reflected in the environment within which both nations see ways to co-operate. A good example is this deal itself.

Mr. Terry Sheehan: That's reflected in Sault Ste. Marie. It's a small northern Ontario town, but we have the synagogue, the Beth Jacob. We have a very proud community up there.

I wanted to touch on the CPTPP. In your remarks, you mentioned that being one of the first signatories gives us extra ability. I bring that up because in Sault Ste. Marie we have Manna International, which deals with organic agriculture of different varieties, in particular soybeans. They've been dealing with Japan for the last 20 years. They're dealing with Belgium and other places in Europe.

Could you explain to us what exactly was the advantage of our getting this deal done expeditiously?

The Chair: Give a short answer, please.

Hon. Jim Carr: The short answer is that it means there'll be two tariff reductions before other countries are even part of the agreement. The first comes on the 30th of December, and the second comes only a few days later, when we're into 2019. That's the first advantage that we get, along with five other nations. Vietnam has been the seventh.

That's why the work of this committee and of the House of Commons and the Senate was so vital to put us in the first tranche. It's going to give our exporters a significant advantage, and that's going to be measurable in the volume of trade, because there will be instant tariff reductions on December 30th and a second set of reductions a few days later that will benefit the nations that were part of that first tranche. That's us. That's why it's important.

The Chair: Thank you.

We are going to move over to the NDP now. Ms. Ramsey, you have the floor.

Ms. Tracey Ramsey (Essex, NDP): Thank you.

Thank you, Minister, for being here.

You mentioned tremendous opportunities. There was an opportunity in this agreement to advocate for a peaceful two-state solution between Israel and Palestine, but unfortunately the CIFTA that you've presented to us is a missed opportunity in this way. The European Union-Israel deal had provision for it, had language in there, and I'll read to you what it states between the parties. It talks about the provisions of the agreement itself, and it says:

—relations between the parties, as well as all the provisions of the agreement itself, shall be based on respect for human rights and democratic principles, which guides their internal and international policy and constitutes an essential element of this agreement.

We have strong international commitments towards this from Canada. We've certainly signed on to several of them, and so I want to ask you, Minister, why the government didn't include a similar general line at the very least on human rights protection.

• (1130)

Hon. Jim Carr: Thank you.

We know that Canada is committed to a two-state solution. That is our policy towards the conflict. We continue to be committed to that objective. We also fully understand that the impetus for a two-state solution must come from the Palestinians and the Israelis. There are obstacles that are beyond the influence of nation-states such as ours,

but we stand ready to offer our help, as we have historically, in the conflict.

Ms. Tracey Ramsey: Can I ask, Minister, why we didn't include the same language as the EU deal does?

Hon. Jim Carr: Well, you know that the promotion and protection of human rights right around the world are core to Canada's foreign policy—this is a foreign policy decision—and that our government will always stand up for human rights, including women's rights, indigenous rights and freedom of expression.

Ms. Tracey Ramsey: I just think there was a great opportunity to do that and in a non-controversial way. This language already exists with one of our large trading partners, the EU, so I really need to specifically ask why we didn't include that in this agreement.

Hon. Jim Carr: This is a foreign policy issue. You know of our commitment to a two-state solution. You know that contained within CIFTA itself there are path-breaking chapters on corporate social responsibility and on gender rights, in an enforceable chapter negotiated for the first time, and we think that as Canadians we can be very proud of those accomplishments.

Ms. Tracey Ramsey: I just want to be clear that you could include it in a trade agreement. There is precedent for it. It has been done before, so it isn't just a foreign affairs issue. It is something that's been addressed in a trade agreement with, I would say, one of our closest partners, the EU, so there is absolutely a space for that to happen in here. My question really was why that hasn't happened.

Maybe in that spirit I'll move a motion that I have here at the committee. It's a motion with regard to the committee's study of Bill C-85, an act to amend the Canada-Israel free trade agreement implementation act and to make related amendments to other acts:

That, with regard to the Committee's study of Bill C-85, An Act to amend the Canada-Israel Free Trade Agreement Implementation Act and to make related amendments to other Acts, the Committee invite witnesses to appear to discuss the state of human rights in Israel and the occupied territories of Israel.

I'll just put that forward, Mr. Chair, and move that right now, please, for a vote in the committee.

The Chair: The motion has been put forward. Is there any debate?

Let's call the question.

Ms. Tracey Ramsey: Could we have a recorded vote, please, Chair?

The Chair: It will be a recorded vote.

(Amendment negated [*See Minutes of Proceedings*])

Ms. Tracey Ramsey: Do I still have a little bit of time, maybe a minute?

The Chair: You do. Go ahead. You have the floor.

Ms. Tracey Ramsey: UN Security Council Resolution 2334 calls upon states "to distinguish, in their relevant dealings, between the territory of the State of Israel and the territories occupied since 1967". Basically this is our own policy, and this refers to labelling in the settlements.

We do have experience with this in Canada—and again, the European Union has labelling as part of their trade agreement—so I'm wondering if you can tell me why that's not included in our trade agreement with Israel.

Hon. Jim Carr: CIFTA doesn't contain any commitments that are specific to labelling, which falls under the purview of the Canadian Food Inspection Agency, as you know—

Ms. Tracey Ramsey: It ruled that we should have distinguished labelling in Canada.

Hon. Jim Carr: Yes, colleague, and you also know that—

The Chair: I'm sorry, I'll have to wrap this up, unless....

Hon. Jim Carr: Yes, just one....

The Chair: Go ahead, sir.

Hon. Jim Carr: I appreciate the question. The matter is now before the Federal Court for judicial review.

The Chair: Okay. Thank you.

Mr. Fonseca, you have the floor.

Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.): Thank you, Mr. Chair, and thank you, Minister.

Minister, your metaphor of the different trade agreements that we have across the globe now was in terms of building these bridges. The bridges have been built, and now, through the fall economic statement, the fuel is being put to those vehicles and those goods and services, etc., in order to be able to cross those bridges. I'm glad that we put in a lofty goal of 50% of trade diversification by 2025.

We have heard from many of the different stakeholders that support SMEs as well as large business. One of the thoughts that has come to the table is still that EDC, BDC, and our trade commissioner service are just not working as co-operatively and as well as they could. They're not firing on all cylinders.

One of the recommendations that came forward was that they don't have a CRM between themselves. When you have a small business knock on a door, you'd hope that the other entities would all know that the business is looking for support and they'd be able to jump on and provide that support. Is this something that you see as a way forward in helping our SMEs?

• (1135)

Hon. Jim Carr: Yes, and let me also agree with the premise of your question, as I agreed with the premise of my honourable friend to start off this round of questioning, and that is that we have to do better.

The way to do better is to coordinate, as you have suggested in your question, to add more resources, which we have done through the commitments of the fall economic statement, and to be far more aggressive. One of the reasons I'm not home as much as some of my family would like me to be is that this is what I'm doing, and I'm not the only one.

I will also take special note of what many members of Parliament have done, including members around this table, which is to say, in their own communications with their constituents, mostly their small business leaders, "This is available to you."

We have found ourselves in a very comfortable situation in our relationships with the United States. These relationships go back years in some cases, and in other cases decades. We speak the same language. We're culturally similar, although not identical.

Now there is an understanding that there are these opportunities. Well, why are there opportunities developing now that haven't developed before? They are there because of the huge growth in the middle class in the developing world, with hundreds of millions of people who are largely in the Asia-Pacific region and in South America and, I would argue, also in Africa. These burgeoning middle classes will need our resources, human and natural, offered by Canadians competitively internationally, but they don't know that as well as we want them to.

I agree absolutely with your premise. We'll give you a fuller answer on exactly how we are directing our resources to ensure that we maximize what we believe is to be a moment of opportunity for Canada.

Mr. Peter Fonseca: Thank you, Minister.

Moving directly to CIFTA, I know that we have these strong people-to-people ties. We have a lot of business going on. Where we do very well with Israel is around research and development and in the health sciences, in pharma, medicine and medical devices. Israel does very well when it comes to commercializing its products and services. We do very poorly on that front. I know that may be beyond this agreement, but how can we master here in Canada that ability that Israel has?

Hon. Jim Carr: I think the way you handle that kind of question is to first of all find out where the alignments are and where the symmetries are, and to assess where a nation is doing things well and what best practices can be borrowed and the ways in which we can take our strengths and combine them so that the whole is greater than the sum of its parts. I think that's particularly true in the Canada-Israel trading relationship.

The clean-tech and high-tech sectors are so well developed in part because that's also how their universities and their colleges are adapting to these opportunities. There's a tremendous focus on education. These institutions have become world leaders. We are, by the way, no slouches in Canada and are becoming stronger all the time. On AI, for example, in Edmonton at the University of Alberta this week, there are more examples of that research, along with what we see in Waterloo and in Toronto and elsewhere. There are, in many cases, academic agreements and exchanges with Israel. There will be more. This agreement facilitates that.

Mr. Peter Fonseca: Thank you.

The Chair: Thank you.

We're going into another round. I think we have time for a couple of more MPs, and we're going to start off with the Liberals.

Madam Ludwig, you have the floor.

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): Thank you, Chair.

Thank you, Minister and officials, for being with us today.

I have two questions. I'm going to try to get them both in.

As you know, Minister, I represent New Brunswick Southwest, which is a riding that's deeply involved with seafood, agrifood and agriculture.

You mentioned in your opening remarks the removal of tariffs from Israel on fish, nuts, tropical fruits and oils. What would a modernized agreement mean in terms of benefits for Canadian exporters in my riding?

• (1140)

Hon. Jim Carr: I think I have a specific answer to your question, colleague.

The benefit for the agricultural and agrifood sector is that 92% of Canadian exports will enter Israel duty free, in unlimited quantities. That's up from 83%. It's tangible; those are the numbers.

For the fish and seafood sector, 98% of Canadian exports will enter Israel duty free in unlimited quantities, which is up from 90%. This means that Canadian exporters will be able to compete on a more level playing field with competitors from other countries, such as the U.S. and the EU.

For Atlantic Canada in particular, the modernized CIFTA will result in benefits for a number of export interests, and I can go into detail if you want; there are numbers. They include processed potato products, fresh apples, frozen vegetables, processed seafood, shrimp, fresh haddock and cod—all in the Atlantic region.

We'll make sure you have a copy of this.

Ms. Karen Ludwig: Thank you very much.

I think that also certainly feeds into our government's commitment to the environment. Unless we have a strong environment to continue to grow, manage and sustain our industries, particularly in the food sector, we will not be able to seize these opportunities. Thank you.

Hon. Jim Carr: Thank you.

Ms. Karen Ludwig: You also mentioned in your remarks the global competitiveness for immigration.

Could you speak directly to the access to international students and what that might mean to Canadian companies and Canadian economies in terms of a pool of talent?

Hon. Jim Carr: We're hearing more and more about the importance of student exchanges. As I travel, I hear it from not only the obvious places, which would be university administrators, but also from corporations.

There's another reason this is important. When young people experience other nations—for example, when they are students there—they develop a respect for the people, the culture and the values of those nations. The potential for utilizing that understanding and appreciation of values as these students go on into their careers in professions and in business is extremely valuable for both the students and the countries involved.

You will have noticed a reference in the fall economic statement to a more mature relationship on post-secondary students and education and the importance of becoming more aggressive internationally. That commitment is there. We intend to follow it.

Ms. Karen Ludwig: Thank you.

I have more time, don't I?

The Chair: Yes. You have another minute.

Ms. Karen Ludwig: Great.

We've certainly heard before this committee, as my colleagues have mentioned, about the challenges for small to medium-sized enterprises just to become more aware of the services that are available. About 54% of businesses in Atlantic Canada are made up of one to four employees.

In terms of taking advantage, where do you see the greatest opportunities for our really small businesses? How do we connect some of them to the supply chain, even in Canada on the domestic side?

Hon. Jim Carr: I don't know that there is a one-size-fits-all answer to that question.

Just in these last few days, meeting with start-ups in Saskatoon and Edmonton.... This is a classic example of the companies you're referring to, with one, two, three or four employees, and there's very limited awareness. The best way to inspire people to get interested is by example of other companies that have taken advantage of it so that the narrative becomes real.

I'll give you one quick example. We were in Montreal meeting with Cecilia Malmström, the trade commissioner of the EU. We visited a bicycle manufacturer in Montreal that had just won a competition to supply 7,000 bikes to Barcelona because of the European agreement.

What are the two elements of the agreement that made it possible for them to win this competition? They are a reduction of tariff from 15% to 0%, and the procurement chapter that allowed them to compete for government work. They won it—7,000 bikes.

I was in the west, as I've told you, and I asked a bike manufacturer if they knew the story about how this Montreal bike manufacturer took advantage of CETA. No, they didn't.

That's an example of how, through the narrative of similar companies in a sector or an industry, you can inspire them to look beyond to other export markets.

• (1145)

Ms. Karen Ludwig: Thank you.

The Chair: Just before Mr. Carrie—what's the number? How much trade do we do right now with Israel?

Hon. Jim Carr: It's \$1.7 million.

The Chair: Is that both ways, or...?

Hon. Jim Carr: It's \$1.7 million total.

The Chair: That's imports and exports?

Hon. Jim Carr: What's the—

Ms. Kendal Hembroff (Director General, Trade Negotiations, Department of Foreign Affairs, Trade and Development): That's total.

Hon. Jim Carr: It's \$1.7 million total. We'll get you the breakdown.

The Chair: Okay.

Mr. Carrie, you have the floor.

Mr. Colin Carrie (Oshawa, CPC): Thank you, Mr. Chair.

Thank you, Minister, for being here. Of course you know you have our support. We're very much free traders.

However, I do want to talk about competitiveness. You mentioned today we seem to be competitive, but major policy changes are coming, and I want your comments on that.

Frankly, as well, I found your metaphor at the beginning a little insensitive. In Oshawa this week we found out that we were going to be losing 2,800 jobs, which means we're not going to be exporting anything from Oshawa. Bridges go both ways, not just one way.

The United States is going to be losing 3,600 jobs and Mexico zero. To put it in perspective, the Americans have ten times our population. With the multiplier effect, that would be like 28,000 jobs, and I think Mr. Trump would even be a little louder if that were the case.

Frankly, businesses need clarity. I'm going to try to get some clarity from you today, sir.

When we're talking about competitiveness, one of the biggest things we've heard around this table is the cost of energy. I know the Prime Minister is committed to a carbon tax as his major way of getting to those commitments in Paris. The United States and Mexico don't have that same policy, and just last month, the United Nations reported that governments would need to impose up to \$5,500 per tonne of carbon tax by 2030—\$20 a tonne is not going to do it.

Businesses need certainty. They need to understand what their costs are going to be, because companies don't invest billions of dollars in plants for a six-month investment.

I know investments in the auto industry are going out to 2030. Very simply, I'm hoping that maybe we can reverse that decision in Oshawa.

I was wondering if you could be very clear: when will your government be increasing the carbon tax to \$5,500 per tonne, or what are your proposed increases, so businesses can know?

Hon. Jim Carr: Those are a lot of questions—

Mr. Colin Carrie: It's just the last one, Minister—when are you going to increase the carbon tax?

Hon. Jim Carr: —that aren't directly related to CIFTA, but I'm glad to answer them anyway.

First of all, we are deeply disappointed in the decision that General Motors has taken. Our line of communication to the company is open to look at possibilities of making that plant continuously viable. Minister Bains has said that publicly. We continue to believe that an ongoing conversation with the company is important, and we make that offer.

On the issue of a price on pollution, if someone is trying to make a link between a price on pollution and the closure of the Oshawa

plant, then they're going to have to address the closure of three American plants at the same time.

Mr. Colin Carrie: As I said, I'm not trying to make that direct link right now.

Business wants certainty, and as you said right now, it appears we're fairly competitive. GM just shut down their premier plant. It's an award-winning plant. The employees did everything they needed to do. You do have a policy. The American plants are consolidating, and as I said, their job losses are significant—3,600—but to put that in perspective, they're ten times bigger than we are, so that would be like 28,000 jobs in the United States.

You have this unique policy in North America with the carbon tax and the United Nations. Your Prime Minister has been very clear that he believes it is really important. In terms of overall competitiveness in all our agreements, whether Israel or the USMCA, this decision happened just after the USMCA was made. We had the economic update; obviously it wasn't enough to keep this plant viable here in Canada.

The simple question is this: When will you be increasing the carbon tax so that business has certainty for these long-term investments? If you can't provide that today, sir, could you give us the schedule and send it to the committee so we would know how these increases are going to be occurring over the next few years? It's because business does need to know inputs, and this carbon tax is a significant new policy that the Americans and Mexicans don't have.

• (1150)

Hon. Jim Carr: You are linking it—you are linking our price on pollution to this decision, and you're linking the decision from GM to the timing of the Canada-Mexico-U.S. agreement.

Mr. Colin Carrie: What I'm asking is when will you be—

Hon. Jim Carr: You know the answer to your question.

Mr. Colin Carrie: No, I don't.

Hon. Jim Carr: There is a schedule of the pan-Canadian framework decision on the price of pollution. It's \$10, \$20, \$30, leading to \$50 a tonne by...2023?

Mr. Colin Carrie: That's 2023. However, the United Nations report, which the Prime Minister holds in great regard, says it has to be up to \$5,500, and that's to 2030.

That's what I'm asking, because business needs certainty.

Hon. Jim Carr: I know.

Mr. Colin Carrie: We'd like to see when you're going to put it up to that price, because that is a significant competitive difference between our country and other countries.

The Chair: We're out of time. We're going to have to cut it off there.

We have time for one more MP, who will be splitting the time. Mr. Peterson, you have the floor.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, Mr. Chair. I'll share my time with MP Tabbara.

I want to talk a little about something unique in the amended agreement here, the corporate social responsibility article.

What obligations does Canada have under that new provision, and how does that align with our trade approach internationally?

Hon. Jim Carr: The importance of corporate social responsibility is becoming an increasingly important conversation among nations. We think this agreement moves that forward more aggressively than any other agreements.

It's important to our government that Canadian companies around the world respect the values and laws that are so important to us here in Canada, so we're moving forward on a process to do a better job of holding Canadian companies overseas to account.

As you know, we're moving forward with the appointment of the first-ever ombudsperson for corporate social responsibility, to help reflect our core values to the world and to deliver on our trade agenda. Having corporate responsibility within the CIFTA agreement will encourage companies to follow responsible business practices while incorporating internationally recognized principles and guidelines.

That's how it's referred to directly within CIFTA. Then there's the broader issue of the commitment of the Government of Canada to appoint an ombudsperson, and that process is well along the way.

Mr. Kyle Peterson: Thank you.

I have one more question, and then there will be enough time for my colleague.

In your opening comments you alluded to the innovative nature of the Israeli economy. Through CIFTA, can Canada promote partnerships in the clean-tech and high-tech sectors? Is the amended agreement a good mechanism to do so?

Hon. Jim Carr: There are chapters within the agreement that promote those kinds of exchanges. There are people-to-people relationships. There are institution-to-institution relationships, even in my own province of Manitoba.

On water management, there is a quite well-developed relationship between our universities and universities in Israel. There is a very serious high-tech, clean-tech component to the management of water. The Israelis have a lot to learn from Manitobans, and vice versa. What these trade deals do, again in the metaphor of bridge-building, is make it easier for these institutions and these companies to take advantage of each other because of the facilitation that these agreements offer. In clean tech in particular, there is an awful lot of learning to happen both ways.

Mr. Kyle Peterson: Thank you, Minister.

Mr. Chair, my colleague can have the floor.

Mr. Marwan Tabbara (Kitchener South—Hespeler, Lib.): Thank you, Minister, for being here.

You've talked about the high-tech sector. I come from the Waterloo region, which is a big high-tech hub. Israel has grown its high-tech sector and it has increased its GDP 4% per year. In my

region, we have Communitech, a tech company that attracted \$391 million in 2017. That's a 14% increase from 2016.

You've mentioned that previously you were the resource minister. I believe the best resources are our people. We've attracted a lot of people in our region for the high-tech sector. There were 1,100 open positions posted online to be filled.

This alludes to my colleague's question: How can we bridge this gap in the high-tech sector? How can we learn from one another, and how can we increase our GDP going forward?

• (1155)

Hon. Jim Carr: I think the easiest way is to just get on a plane—dare I make that suggestion—and have a look. There have been many trade missions, and the Israelis always welcome trade missions to Canada, but at the same time I don't think we should diminish or underestimate how far we've come in this sector in Canada. You know yourself, colleague, and the Israelis are noticing that too. There are more and more academic exchanges and more combined research projects.

What interests me most about this is the role of government in stimulating that kind of research and creativity, and we are taking measures across the Government of Canada to do exactly that. It's the relationship between public policy, academic institutions and the dynamic entrepreneurial sector, and the mix within that relationship, that is the right one for the circumstances of any nation-state, that leads to these good results.

Israel's national situation is not identical to Canada's, but there are a lot of similarities, and understanding where those similarities are and how we can learn from.... You gave GDP growth of 4% a year, and why that 4% a year growth is able to take root is among the lessons that we can learn.

This agreement, these relationships, these academic institutions, these joint partnerships all lead to taking full advantage of what we can learn from each other.

The Chair: Thank you. That wraps up the time with the MPs, and it wraps up our first hour here this morning.

Thank you for coming, Minister, and thank you to your officials for coming with you. We look forward to more agreements. Take care.

Hon. Jim Carr: Thank you.

The Chair: We're going to suspend for five minutes, and then we're going to go back at it.

• (1155)

_____ (Pause) _____

• (1205)

The Chair: We're going to—

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Just one minute.

Mr. Chair, in this place life is so busy, and some of us face health issues. Yesterday in the B.C. caucus, we had one member who had to be taken by ambulance to the hospital. It makes us all aware that we've lost some members.

Food is very important. In this committee, I want to give a vote of thanks to the clerk, Christine Lafrance, for the great work that she does.

The Clerk of the Committee (Ms. Christine Lafrance): It's the cooks, the cooks.

Mr. Sukh Dhaliwal: It's not only the technical part, but it's when it comes to taking care of us from the diet perspective, it's excellent, so thank you, Christine.

The Chair: Thank you from Mr. Dhaliwal. We're also passing that down the chain to whoever prepares the meal, even as far as the farmers who grew it. It's all good.

We're going to continue.

We have the minister here on the agreement with Israel, and I think we have 12 clauses, but before we start, I think Mr. Carrie has a word.

Before you start, you had a big week, sir.

Mr. Colin Carrie: Yes.

The Chair: It's hard on your community and it's hard as an MP when you lose that many jobs. Anyway, from the committee to you, hang in there.

Mr. Colin Carrie: Well, you know what, Mr. Chair? I want thank you for personally reaching out and talking to me earlier in the week. This is devastating for our community. We're looking at 2,800 families who are going to be affected by this announcement. I think it's really important that we look at this more.

GM made this decision. This is an award-winning plant, but it's not going to have any product allocated to it after 2019, which effectively jeopardizes the future of production of this plant, for sure. I was happy to hear the Minister of Innovation, Science and Economic Development say that all options are being examined.

I'd like to give notice of this motion. It is that:

Pursuant to Standing Order 108(2), the Committee immediately undertake a study concerning the Automotive Industry in Canada and details of all options of the Federal Government's plan to defend the Canadian Automotive Industry and the ability to defend Canada's competitiveness globally; that the Minister of Innovation, Science and Economic Development appear; and that the Committee report its findings to the House.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Carrie.

You're just tabling the motion, so we're going to continue on.

Of course, we've done many agreements here at this committee. Everybody at this table seems to know how it rolls. We'll go from clause to clause.

We're going to start off with clause 1.

Shall clause 1 carry?

(Clause 1 agreed to)

The Chair: Shall clause 2 carry?

(Clause 2 agreed to)

(On clause 3)

The Chair: On clause 3 we have three amendments from the NDP.

Ms. Ramsey, they're your amendments.

Ms. Tracey Ramsey: Yes.

The Chair: You're aware that previously it's been notified they're not admissible, those first three.

Ms. Tracey Ramsey: Just one second, please, Mr. Chair.

The Chair: You have to move them, and then I have to rule on them. I'm sorry about that.

You go ahead.

Ms. Tracey Ramsey: I'd like to move the amendment, and I'd like to speak to it. This is quite an extensive amendment. If you look at amendment NDP-1, it's about clause 3.

The Chair: Sorry; that's NDP-1, right?

Ms. Tracey Ramsey: It's NDP-1, yes.

If you look at it specifically, it really is about some additions to put into this space. Following proposed paragraph 4(a), we'd like to see....

First of all, in addressing proposed paragraph 4(a), the amendment is proposing to add a paragraph 4(a.1). Proposed paragraph 4(a) is, really, an aspirational statement. These are often included in the beginning of implementing legislation, but we'd really like to see some real goals. If we were to have an addition of a paragraph 4(a.1), which is in NDP-1, it would read:

substantially increase investment opportunities in Canada and the State of Israel while preserving the right of each of the parties to the Agreement to regulate and to achieve legitimate policy goals;

This also really does speak to any type of investor-state or any type of dispute resolution, just really laying out the fact that we still retain the ability to do what we need to do in Canada, and in Israel it's the same. There's the addition of this paragraph 4(a.1) that would follow right after proposed paragraph 4(a) at the bottom of page 1.

If you flip over the page, the next part of the amendment is replacing line 7 on page 2. What it currently has there is:

ensure a high level of environmental protection through comprehensive and legally-binding commitments;

It's always positive, I think, to see language on the environment in trade agreements, but what we do know is that, again, this is largely aspirational. We haven't really been able to address the issues of the environment in an enforceable way in trade agreements. An inclusion there about Canada's obligations under the Paris Agreement that was reached really lays out exactly where Canada is at in terms of our international obligations and commitments so that there's nothing in the agreement that would challenge our ability to honour those commitments that Canada made in Paris in December 2015.

Again, this doesn't alter the spirit of the agreement whatsoever. This would really be something that would speak specifically to our commitment, which I think we all agree on. We know we've signed on to the Paris Agreement. Again, we don't want anything to ever come back on us for implementing our obligation to the Paris Agreement. It's a special nod and is very specific, which I think is very important in trade agreements. If we're not specific, things are open to interpretation. They may not be things that we can address at a later date if the need arises.

The third one that I have there is on lines 8 to 10. Again, what's there proposed paragraph 4(d) talks about the international commitments of Canada and the State of Israel on labour matters. Again, this is very thin language, and I think it could be fleshed out in a way that really indicates where Canada is at.

My amendment that I have put forward essentially reiterates our commitment. The amendment is to:

protect, enhance and enforce workers' rights through mandatory mechanisms recognized by the International Labour Organization's eight core conventions and adherence to its Decent Work Agenda, through the creation of an independent labour secretariat with the power to oversee a dispute-settlement process for violations of labour rights and to enforce penalties for any such violations and through strengthening cooperation between Canada and the State of Israel on labour matters;

This is really important. To date there haven't been any trade agreements that Canada has signed on to internationally, to be fair, that speak about labour matters or labour rights that have been enforceable and that have been a way to address the situations that exist for working people. Again, just fleshing this out and talking about the fact that we want these mandatory mechanisms in there, I think, is very key.

If we are to build upon trade agreements, we have to start improving the language in them. If we keep repeating the same language of the previous trade agreements, then essentially we know that there's nothing enforceable in terms of labour. There's been a case brought that was dismissed, so we really need something here so that if there is a labour issue that comes between our two countries, there's a meaningful way to address it, versus just saying that we build on these respective commitments. We need to honour our international commitments, not just build upon them. I bring that forward.

•(1215)

If we move on to paragraph (d) of NDP-1, which is on the second page of the amendment, it references an addition after line 10 that would read:

(d.1) to facilitate due diligence measures and ensure they are available for Canadian companies and funding agencies, and to create a framework for transnational bargaining to allow unions to represent workers in Canada and the State of Israel; and

We really agree with the CLC that the Government of Canada has to look at due diligence of Canadian companies and funding agencies if we're going to create this framework. This is something that is being called for as an addition to trade agreements, in terms of labour, to make sure that it's meaningful and enforceable. The Canadian Labour Congress is in agreement that this measure should be included in all trade agreements. It doesn't break the spirit of this agreement in any way.

If we go on to page 2 of the bill, lines 11 to 16, what we're looking for is a replacement. We would replace lines 12 to 16 with the following text:

economic empowerment and immediately undertake an annual gender-based analysis and gender impact assessment to be applied to the entire agreement, as well as to ensure the use of enforceable corporate social responsibility standards and principles as set out in the United Nations document entitled *Guiding Principles on Business and Human Rights* published in 2011.

This is something we've heard pretty consistently at this committee around gender language: that if it's to be meaningful, it has to be applied throughout the entire text of the FTA, not just relegated to one chapter. We heard this from Oxfam and other groups around previous trade agreements, about the way forward and making sure that we are having a meaningful impact on the lives of women. The current way we're writing text doesn't actually ensure that, so this is a fleshing out of that text.

Gender equality shouldn't only be concerns of women entrepreneurs and business owners; it should actually help in regard to systemic discrimination against women who work, who are in the labour force. There's nothing actionable here about that either.

The other thing we strongly believe—and we've heard it at this committee too—is that when we're looking at improving language, we shouldn't have to wait five years for a review to see what the provision will yield or will not yield.

The nature of our trade is happening every single day. Why would we wait a whole five years to figure out whether something is working or not? It just seems a very lengthy period of time. I put that out there, that we need some concrete steps and some actions.

I want to speak a bit about the corporate social responsibility chapter—

The Chair: You're still on your first amendment, right?

Ms. Tracey Ramsey: Yes.

The Chair: Can I encourage you to minimize it? We have a lot of amendments to do today. I can't cut you off—

Ms. Tracey Ramsey: I know.

The Chair: —but I'd like to go through the other ones and make sure you have a say.

Ms. Tracey Ramsey: I appreciate your attempt.

The Chair: If you could wrap it up, I'd appreciate it.

Ms. Tracey Ramsey: Corporate social responsibility is something that we all agree needs to be part of our trading relationships with other countries. The problem is that if we make this voluntary, the system isn't working; it's not addressing the issues we have. The OECD already agreed with the UN on these principles and they are looking at ways to make them enforceable, so this really is something that we have to do.

Just as an aside, we have the corporate social responsibility ombudsperson, who hasn't been appointed yet, so I know it's something that the government is working on, but we really need someone in that role. At this point, we really don't have anything or anyone overseeing and making sure that the corporations are being held responsible.

However, again, if it were something mandatory as opposed to voluntary for corporations, we wouldn't need an ombudsperson to oversee it. We need an ombudsperson currently because it's up to them whether they want to honour the obligations and commitments that Canada has globally. This really is a space for us to remove the voluntary aspect so that we're putting some responsibility on corporations instead of just saying some aspirational things that they could do if they feel like it. Therefore, I put that forward in my first amendment.

All the things I've raised are really things we've discussed here at this committee and have heard consistently from witnesses, and I don't believe they violate the spirit of the agreement.

• (1220)

The Chair: Okay.

My recommendation here is that it's inadmissible, because it requires a royal recommendation. It requires a royal recommendation because there's a cost to it. This is not admissible to even put forward.

Ms. Tracey Ramsey: Can I ask for some—

The Chair: Just let me finish, if I may.

On the following amendments, the way we do it is that the MP says the amendment and then I say if it's admissible. If it's admissible, then the MP can speak on it.

From now on, whichever MP wants to make an amendment, state it. If it's admissible, we go forward.

That's the ruling on this first one.

Ms. Tracey Ramsey: I want to ask a question, though. Which part specifically is inadmissible in the amendment? Can I get some clarification? Are all of the additions or changes I have put in here inadmissible, or are there specific ones that are inadmissible?

The Chair: Technically, yes; I think when you read it, you ask for the creation of an independent labour secretariat.

Ms. Tracey Ramsey: So it's that one—

The Chair: That requires money, which then makes the whole amendment inadmissible.

Let's move on to NDP-2, your next amendment on clause 3.

Ms. Tracey Ramsey: Thank you, Mr. Chair.

I'm seeking the following addition:

4.1 (1) The provisions of this Act and the Agreement must comply with the United Nations Declaration on the Rights of Indigenous Peoples.

(2) Relations between the Government of Canada and the State of Israel, as well as the implementation of the provisions of the Agreement itself, shall be based on respect for human rights and international law.

The Chair: Thank you.

This one is also inadmissible, because it could create new obligations on the Government of Canada, subjecting the treaty to the United Nations Declaration on the Rights of Indigenous Peoples. That one will not go forward.

We will move on to NDP-3.

Ms. Tracey Ramsey: This is the addition I'm proposing, as follows:

4.1 In the interests of transparency, product labelling must accurately reflect the precise place of origin of any product that originates in an area that is occupied by the State of Israel but that is outside the territory of the State of Israel as it existed on June 4, 1967. In particular, labelling must indicate whether the product was made in an illegal settlement, and whether it was made in the West Bank, East Jerusalem, Golan Heights or Gaza.

Again, this is from the EU language.

The Chair: I have to again rule that it's inadmissible, as it's beyond the scope of the bill, since it addresses details of regulations related to labelling of goods not envisioned in the bill.

That said on those three, should clause 3 carry?

(Clause 3 agreed to)

(On clause 4)

The Chair: Mr. Ste-Marie from the Bloc has some short comments on his amendment.

Again, sir, welcome.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

First, I'll talk about the admissibility of my amendment. I believe that it meets all the criteria listed in pages 770 to 775 of Bosc and Gagnon. You'll agree that my amendment doesn't expand the scope of the act. In fact, the opposite is true.

My amendment doesn't violate the principles of the act either. The House has adopted the principle of a Canada-Israel free trade agreement. My amendment seeks to ensure that a free trade agreement with Israel is established. However, the agreement must fully but exclusively cover the territory of the State of Israel.

My amendment does add a new paragraph, but it doesn't expand the scope of the act. At the report stage, we can only delete clauses. In short, the clause that I'm proposing doesn't expand the scope of the act. It simply clarifies the scope.

My amendment also doesn't amend the treaty. We all know that a treaty is negotiated by two parties. Therefore, it can only be amended by two parties. That said, the treaty can be interpreted, and it's even a fairly common practice to do so.

On that note, I'll provide two clear examples. The first example concerns subsection 7(1) of the North American Free Trade Agreement Implementation

Act: For greater certainty, nothing in this Act or the Agreement, except Article 302 of the Agreement, applies to water.

The NAFTA text didn't mention water. Since water wasn't specifically excluded from the agreement, it could be concluded that water was...

• (1225)

[*English*]

The Chair: Excuse me. As I just stated, you were only supposed to speak of your amendment, say your amendment—

[Translation]

Mr. Gabriel Ste-Marie: Okay.

[English]

The Chair: —and then I have to make a ruling on whether it is admissible.

[Translation]

Mr. Gabriel Ste-Marie: Okay.

[English]

The Chair: You've already spoken—

[Translation]

Mr. Gabriel Ste-Marie: I wanted to...

[English]

The Chair: You've already stated your amendment.

Are you getting my translation?

Mr. Gabriel Ste-Marie: I hear you well.

Voices: Oh, oh!

The Chair: Okay. If you can read your amendment, I'll make a ruling on whether it's admissible.

Go ahead.

[Translation]

Mr. Gabriel Ste-Marie: Okay.

That Bill C-85, in Clause 4, be amended by adding after line 18 on page 2 the following:

“6.1 For greater certainty, despite paragraph (b) of the definition *territory* in Article 1.7 of the Agreement, this Act and the Agreement apply to the territory of the State of Israel except for any territory administered by that State since June 4, 1967.”

[English]

The Chair: Thank you, sir, but the ruling says here that the amendment is inadmissible because it is beyond the scope of the bill, since it aims to determine how the definition of “territories” is understood in the treaty and in the bill. That's the ruling on it. It's not admissible.

We have another one here. We're going to move to NDP-4.

Madam Ramsey, go ahead.

Ms. Tracey Ramsey: This is about the non-application of the agreement to water. This is a change being made from the language that exists right now. It's expanding that scope a bit.

In lines 18 to 21 in clause 4, this would replace line 21, as follows:

gaseous or solid state, and nothing may authorize the bulk export of water or the treatment of water, by labelling or otherwise, as a commodity.

Are you going to rule?

The Chair: It is admissible, so if you want to make a few comments on it, we can move on.

Ms. Tracey Ramsey: Yes. Again, this is reflective of expanding the scope of understanding of water. We saw it addressed in the USMCA. The concern is that these are bottled water loopholes. We want to make sure that there isn't a way for bulk water to be extracted from Canada or to be removed in any way, and if we're really

specific about the way that water could be exported, I think it would help.

Canadians are very supportive of protecting and keeping our natural and very healthy resources of water here in Canada. We see a lot of different initiatives for that. This really just expands a bit of that language to make sure that there isn't a way for Israel, in this particular case, but any country, really, to be able to have water exported. We know that Israel is a desert, so they may have water concerns in the future. It's a resource that's very important to Canadians and that we want to protect. For all natural water to be exempt is very important.

This is a specifically worded exemption, and we have to make sure that it means any water would be included. I bring forward that amendment.

The Chair: Thank you. Are there any comments or questions on this amendment?

Go ahead, sir.

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Can you restate in one sentence exactly what the goal of the amendment is?

Ms. Tracey Ramsey: The goal of the amendment is to prevent bulk water exports.

The Chair: You mean from Canada.

Ms. Tracey Ramsey: Yes, from Canada. The goal of the amendment is to make sure that we're entirely clear about the definition of water to prevent bulk water exports in any way, whether it's bottled or in a container.

The Chair: Okay. Are there any more comments or questions? If not, I'm going to bring it to a vote.

Ms. Tracey Ramsey: I'd like a recorded vote, please, Chair.

The Chair: Yes, sure.

(Amendment negated [*See Minutes of Proceedings*])

The Chair: That is defeated.

Shall clause 4 carry?

(Clause 4 agreed to)

(On clause 5)

The Chair: Now we're on clause 5. We have a few changes there.

Ms. Ramsey, you have NDP-5.

● (1230)

Ms. Tracey Ramsey: I do. This is about the powers of the Minister for International Trade. I'm proposing that we add a new clause, 12.1, after the existing clause 12:

12.1 For consultation purposes, the name of each individual whom the Minister proposes to appoint under section 12 must be published in the *Canada Gazette, Part I*, for at least 90 days.

The Chair: It's admissible to enter it as an amendment. Do you have any more comment, or is it pretty self-explanatory?

Ms. Tracey Ramsey: I think this is really about transparency, and this would make the membership of the tribunals and the panels more broad-based and accountable. It's something we're always trying to achieve, to have Canadians understand and to have more transparency across the board on who we're appointing to particular positions.

Also, we really do oppose the minister having this exclusive power to appoint representatives, panellists and chairpersons.

We think these decisions should be taken in consultation, with a set number of days and with the Canadian public being aware of them.

Again, this would just bring pure transparency from the government, and it does not alter the spirit of the agreement. It would only be an obligation here within Canada.

I would think that people who would want to serve now or in the future as ministers of the Crown would be concerned about transparency, with Canadians knowing that the process is open and accountable.

The Chair: Thank you.

Ms. Tracey Ramsey: Can we have a recorded vote, please?

(Amendment negated [*See Minutes of Proceedings*])

The Chair: The next one is NDP-6.

Ms. Ramsey, do you want to state your amendment?

Ms. Tracey Ramsey: Yes. This amendment is about who pays for certain things. It's about the remuneration and expenses.

What I am proposing here is to replace lines 14 to 16 with:

- 14 The Government of Canada is to pay its appropriate share of the costs of
- (a) the remuneration and expenses payable to its mem-

The Chair: It's admissible.

If you have any more comments, go ahead.

Ms. Tracey Ramsey: Again, this is something I've discussed in other trade agreements, so I'm sure it's not a surprise for committee members to see it. I did have the support of the Conservatives previously on this issue, because we're talking about the public purse and an accounting of where money is going and who it's going to.

Again, we are just talking about transparency. This is about publishing Canada's share of the commission expenses. We think the government should be tabling a report to discuss these expenses, because often parliamentarians will have to dig around a little bit to find them.

It should be an open and transparent process. When we're spending public tax dollars, there should be an accounting of how we're doing it. I think Canadians have an expectation of us, and the expectation is that we're using their money wisely.

This would be a way for them to see how much money is being spent in international agreements. I think it is of interest to all of us to find out what exactly the administration of these trade agreements ends up costing Canadians.

The Chair: Thank you.

Ms. Tracey Ramsey: Could we have a recorded vote, please?

(Amendment negated [*See Minutes of Proceedings*])

The Chair: Now we have NDP-7.

Go ahead. You have the floor again, Ms. Ramsey.

• (1235)

Ms. Tracey Ramsey: This amendment is really an addition. It begins adding after line 23. I'll read it out to you first:

14.1 The Government of Canada shall, as soon as possible after the end of each fiscal year, prepare a report that

- (a) identifies the members, members' assistants and independent experts and indicates the costs incurred by each member—and their assistants—of the panels, committees, subcommittees, working groups, expert groups and other bodies, as well as the costs incurred by independent experts;

- (b) includes a gender impact assessment of the Agreement;

- (c) includes an economic impact analysis with a detailed jobs analysis of the potential benefits and cost of the Agreement; and

- (d) includes an analysis of the impact of the Act on human rights in Canada, in the State of Israel as it existed on June 4, 1967, and in the territories occupied by the State of Israel, including Palestinian territories.

- (2) The Minister of Labour shall cause the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the day on which the Minister receives it.

The Chair: It's admissible.

Are there any more comments on it?

Ms. Tracey Ramsey: Yes. There's quite a bit of comment on this, because at this trade committee we spend a lot of time talking about the impact of trade agreements, but we don't have the government doing its own analysis of trade agreements and their effectiveness, so we'll often see outside groups come forward. We just had the National Bank come forward on CETA, telling us that we've had a 46% decrease in exports over a 10-month period since signing the agreement, but again we don't have any government analysis on this.

If we had a government analysis, it would be helpful to our understanding. The first part of the amendment talks about the costs incurred, about being fiscally responsible, being accountable for the amount of money we're spending, whether we're seeing return on our investment for the money we're spending on these trade agreements. Each agreement would certainly be unique in that way.

In this particular agreement with Israel, we have quite a trade imbalance. We import a great deal more than we export to Israel. It would provide an understanding of how much we're spending to be able to see the benefits of the trade agreement.

The signing of the agreement doesn't end our obligations to it. They continue in costs, in committees, people having to meet, and the gender impact assessment. I just go back to this one because if this government, which professes to be feminist, is going to address gender issues in a meaningful way, then we have to do so in a way that reflects what is being asked for in international circles. The thing that's being asked for is a gender impact assessment of the whole agreement—not just this existing chapter, but a lens on the entire agreement. It's the only thing that will ever address the issue of gender in trade agreements.

Then there is the economic impact analysis. I think this is pretty self-explanatory, with a detailed jobs analysis. How is it that we keep signing trade agreements and not reflecting on their impact? Are we gaining jobs? In what sectors are we gaining jobs? Are we losing jobs? Who's being impacted?

There's a lot of talk out there about sectoral trade because of the way that trade is impacting different sectors in a very real way. Manufacturing and agriculture are often pitted against each other in trade agreements. If the government is professing that the trade agreements and the opening of markets will have an impact and that we will see some benefit to trade out of that, then the question is, how do we analyze that? How do we quantify that? How do we put that in a way Canadians can understand?

I think that having an economic impact analysis before we enter into trade agreements is also very beneficial to give us an understanding. We saw that in the CPTPP; the government didn't have the best economic forecasting included in their own analysis.

I was listening to my colleague talk about the job losses in Oshawa, about manufacturing and how they've been disadvantaged in trade agreements. If we have a way to understand how trade agreements are impacting jobs, then there's a conversation to be had on that impact with working people across our country. I think it's very important and should be a primary goal of this committee, to be honest.

Obviously, we aren't living up to our international commitments on human rights in this agreement. There's a path there for us to do that. We could have simply put in the language that the EU included. It hasn't been controversial, it didn't cause any major ripples across Israel or in their relationship with them, and I think it was the responsible thing to do to be a leader on human rights.

This is something that Canada aspires to do, but it's also something that Canada has committed to do this and to recognize, so to not see that included...

I think we should have an analysis of the impact of this act, of trade, on human rights, because it's often being held up by the Liberal government as something they would like to see addressed in trade agreements. My experience here is that they have yet to do so meaningfully or, quite frankly, at all.

We've seen in other agreements as well an opportunity for Canada to play a leadership role in the way that they—that we—know Canadians want us to do globally. Certainly human rights issues in China and in ASEAN countries really should be addressed. At the very least, if we're not addressing them in the trade agreements, as the Liberals have failed to do here, that's a reflection on how we are doing.

● (1240)

What is the human rights condition in the country? Has trade had any impact on that? It simply calls on that, and on the Minister of Labour specifically to do that.

I think this amendment speaks to a lot of the work we do here, and a lot of the things that we hear from our witnesses on a consistent basis in the public space. If we as a trade committee are to try to find a way to address them, this amendment is an opportunity to do so. I

would invite my colleagues to support the work and efforts that we've had here.

I don't think this amendment goes against the spirit of the agreement in any way. I don't think it's something that would harm our relationship. Again, it's just a domestic thing for Canada, to understand trade in a more meaningful way.

The Chair: Are there any more comments or questions on this amendment?

That being said, let's bring it to a vote.

Ms. Tracey Ramsey: Could we have a recorded vote, please?

The Chair: (Amendment negated [*See Minutes of Proceedings*])

The Chair: We're going to go to the last amendment from the NDP. We have here NDP-8.

Go ahead, Ms. Ramsey.

Ms. Tracey Ramsey: Did you move that last...? Oh, we're still in clause 5. Okay.

The Chair: Yes, we're still on clause 5. It's NDP-8.

Ms. Tracey Ramsey: All right. I'll read this out, then. This is again an addition after line 2 on page 4.

This is the addition:

15.1(1) This Act ceases to have effect on the day that is two years after the day on which this section comes into force unless, before the end of that day, the operation of the Act is extended by resolution — whose text is established under subsection (2) — passed by both Houses of Parliament.

(2) The Governor in Council may, by order, establish the text of a resolution that provides for the extension of the operation of this Act and that specifies the period of the extension, which may not exceed two years from the first day on which the resolution has been passed by both Houses of Parliament.

The Chair: Well, it's admissible, so if you have any more comments, go ahead.

Ms. Tracey Ramsey: Again, there's been a lot of conversation about dispute resolution here and certainly across the globe. In every agreement—most recently, the USMCA—we're looking at the transparency of that process, and what Canadians know or understand. Of course, we're very happy in the NDP to see that the ISDS is removed in the new USMCA. Chapter 11 was a secret tribunal and panel that wasn't accessible to Canadians.

This amendment is an attempt to provide transparency and to insist that the final report of the panels be published, in contrast to the language of “if they wish to publish”. When we provide an opportunity for people to not be transparent, unfortunately, the result most often is that they aren't. They don't provide the information, because it's not actually a requirement.

If we're to continue the conversation around dispute resolution, whether we're talking ISDS, member to member, or all the different ones that can occur in trade agreements, I think it's very important that we see an accounting of it, and that instead of having an option, there is an actual publication of the dispute panels and of the disputes.

I would say too that being able to see and understand what disputes have been brought, and the ruling on those disputes, is also very helpful to companies, small businesses and labour. It really creates a path forward to meaningfully address the issues we have.

I can tell you that I just came back from the U.S., and there was a lot of discussion there about our chapter 19. There was a lot of discussion about dairy, about diafiltered milk and issues that have been brought forward. Softwood lumber is still being discussed down there. It is a very serious issue for them.

These things have been brought to dispute resolution panels or have gone through a dispute resolution process, but again, it's hidden. No one really knows or understands, unless you're a lawyer who's presiding over these things or you're part of those arbitration panels. There isn't a great understanding in the public of what dispute resolution is. Over the summer, a lot of people were asking me in my riding, "Why is it important to have chapter 19?" It was a recurring theme in the new NAFTA that we had to have some form of dispute resolution. "Why is that?" People are now asking, "What is that?"

If we were able to share and have a publication, this would be an attempt to have transparency so that there's a general understanding in the public. It would also be a benefit to our businesses and our SMEs. If they see a similar case and know that other things have been brought or have an interest in something that's being brought, it would be a way to bring this to light and to have a national conversation about how we address issues and resolve them in a trade agreement.

• (1245)

The Chair: Thank you.

Are there any more comments or questions on this amendment?

Seeing none, let's bring it to a recorded vote.

(Amendment negatived [*See Minutes of Proceedings*])

The Chair: That's it for the amendments.

Shall clause 5 carry?

(Clause 5 agreed to)

(Clauses 6 to 12 inclusive agreed to)

(Schedule agreed to)

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill carry?

Some hon. members: Agreed.

The Chair: Shall the chair report the bill to the House?

Some hon. members: Agreed.

The Chair: That's it for today's business.

I'll give a little bit of a heads-up. The meeting next Tuesday was in case we needed more time. That said, we're not going to have a meeting next Tuesday; the next meeting we're going to have is Thursday, December 6. That's going to be a draft report on Mercosur and a draft report on tariffs.

Thanks to the officials for coming. It's been a big day. To anybody who is travelling home this weekend, have a safe trip.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>