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• (1135)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call to order meeting four of the Standing Committee on International Trade. We are continuing our study on Bill C-100, an act to implement the agreement between Canada, the United States of America and the United Mexican States.

With us on our first panel today is the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Intergovernmental Affairs. We're glad to have you here with us today. From the Embassy of Canada to the United States of America, we have Kirsten Hillman, acting ambassador of Canada to the United States. From the Department of Foreign Affairs, Trade and Development, we have Steve Verheul, chief negotiator and assistant deputy minister, trade policy and negotiations. Welcome back again. We're pleased to have you here.

I will turn the floor over to Minister Freeland for her remarks.

Hon. Chrystia Freeland (Deputy Prime Minister and Minister of Intergovernmental Affairs): Thank you very much, Madam Chair.

Thank you, members of this committee. I'll make a few introductory remarks and then I will be happy to answer your questions.

I'd like to acknowledge that we're gathered on the traditional territory of the Algonquin.

Let me start with very great pleasure by introducing the outstanding Canadian public servants who are here with me today and without whose hard work, dedication and intelligence this pivotal new agreement would not have been possible. I'm going to introduce the two people sitting next to me. Let me just say that they lead an outstanding team of Canadian professional trade negotiators. At a particularly rough moment during the negotiations, one of our negotiators said, "We think of ourselves as the Navy SEALs of Canada". I think that is a very appropriate way for all of us to think of our outstanding professional trade negotiators.

With me is Steve Verheul, chief negotiator of NAFTA and assistant deputy minister of trade, and Kirsten Hillman, our acting ambassador to the U.S., as well as a trade negotiator of some renown.

I'm very pleased to speak today in support of Bill C-4, the act to implement the new NAFTA, the Canada-United States-Mexico agreement.

Canada is a trading nation. Indeed, with the world's 10th largest economy, trade is the backbone of our economy. Trade is vital for

the continued prosperity of Canadian workers, entrepreneurs, businesses and communities across the country.

[*Translation*]

Our government champions an open, inclusive society and an open global economy. These fundamental Canadian values transcend party and region. In fact, each of Canada's three major, recently concluded, trading agreements—the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and now the new NAFTA—were the outcome of efforts across party lines.

Canadians support free, fair, and balanced international trade, based on mutually agreed rules. These rules provide predictability and stability in how goods, services and investment are carried out between Canada and our major trading partners. We have seen remarkable success in this area.

[*English*]

In 1994 NAFTA created the largest free trade region in the world. In 2018 trilateral merchandise trade between the U.S., Canada and Mexico reached nearly \$1.2 trillion U.S., a fourfold increase since 1993.

Today the NAFTA region comprises almost 490 million consumers and has a combined GDP of more than \$23.5 trillion U.S. Our three countries together account for more than one-quarter of the world's GDP, with less than 7% of its population. This record of growth is a tribute to all Canadians, to our entrepreneurs and our workers across this country. Trade between the NAFTA partners has helped us build a continental network of supply chains across a range of industrial and agricultural sectors. It has made Canada more competitive globally. It has created good jobs for Canadians and has fostered job-creating direct investment between Canada and the United States.

The new NAFTA helps ensure we maintain this vital relationship, and that we maintain predictability and stability in our commercial relationship with the United States—our closest, and overwhelmingly our largest, trading partner—and with Mexico.

The negotiations to modernize NAFTA were unprecedented in their intensity, scope and urgency. At the outset we faced a barrage of protectionist trade actions from the United States and the very real threat of a U.S. unilateral withdrawal from NAFTA altogether. Team Canada stood firm and team Canada stood united. Guided by strong support for free trade from Canadians across the country, at all orders of government across the political spectrum, from business to labour leaders to indigenous leaders, we sought advice and consensus and we acted in a united way.

I would today like to particularly thank the NAFTA council for its hard work. Together we worked tirelessly to modernize NAFTA for the 21st century and to extract further benefits for Canadians from a trading partnership that has been a model for the world, and that is exactly what we accomplished.

The new NAFTA preserves Canada's tariff-free access to the United States and Mexico. It restores and strengthens the predictability and stability of Canada's access to our largest market, and crucially, it does so in the face of rising protectionist sentiment south of our border and around the world. The new NAFTA improves on and modernizes the original agreement.

Allow me to highlight some of the key tangible benefits for Canadians.

[Translation]

First, this agreement protects \$2 billion U.S. worth of daily cross-border goods and services trade between Canada and the United States. This means that 99.9% of Canadian exports to the United States are eligible for tariff free trade.

The new NAFTA preserves crucial cross-border auto supply chains, and provides an incentive to produce vehicles in Canada.

The agreement also commits all partners to comply with stringent labour standards, and strengthens labour obligations to help level the playing field for Canadian workers. Mexico has also undertaken specific commitments to provide for the protection and effective recognition of the right to collective bargaining.

I would add that our government is working in collaboration with the Mexican government to help Mexico implement its labour reforms.

Throughout the negotiations, Canada was confronted with the American tariffs that were unprecedented, unjust, and arbitrary with respect to Canadian steel and aluminum. We were able to avoid an escalation, however, without backtracking. We stayed focused on defending Canadian workers, their families, and their communities.

We succeeded, and those U.S. tariffs have been lifted.

• (1140)

[English]

There was an additional U.S. threat to impose a section 232 tariff on Canadian autos and auto parts. For Canada, that threat was lifted on November 30, 2018, the day we signed the new NAFTA and the day we signed a binding letter on 232 autos and auto parts with the United States. As a result, Canada's auto industry now has the stability to seek investment for further growth and innovation.

The new NAFTA also preserves elements of the original NAFTA that have been essential for Canada and were under threat.

[Translation]

It maintains chapter 29 regarding the dispute settlement mechanism for trade. This is a fair and impartial mechanism, which had been included in the original agreement thanks to the hard work accomplished by Canada. This mechanism has been beneficial for our forest sector workers well over the years, and has protected their jobs from unjust trade measures.

The new agreement preserves NAFTA's cultural exception, which contributes to protecting more than 666,000 jobs in Canada's cultural industries and is so pivotal to supporting the artists who tell our stories, in both official languages.

[English]

Critically, the new NAFTA maintains tariff-free access to the U.S. market for Canadian ranchers and grain farmers. We should never lose sight of the fact that the starting objective of the United States in the NAFTA negotiations was to abolish Canada's system of supply management.

We did not accept that. Instead, we stood up for Canadian farmers and preserved supply management for this generation and for those to come.

[Translation]

The agreement includes an enforceable environment chapter that requires NAFTA partners to maintain high levels of environmental protection, as well as ensuring sound environmental stewardship. In addition, it recognizes and supports the unique role of indigenous peoples in safeguarding and preserving our environment.

The new NAFTA contains ambitious and enforceable labour obligations to protect workers from discrimination in the workplace, including on the basis of gender.

[English]

In conclusion, the new NAFTA is good for continued economic growth and prosperity in Canada. It restores stability and predictability for exporters and for the hundreds of thousands of Canadian workers in our export-oriented industries. It allows us to put the uncertainty of recent years in the past.

Most importantly, the new NAFTA is pivotal in securing the future of good-quality Canadian jobs across our country as market access to the United States and Mexico will be assured—will be guaranteed—by the new NAFTA for years to come.

I want to be clear. We have come a long way. However, until this agreement is ratified by all three countries and enters into force, there continues to be risk and uncertainty, which will inevitably grow with the passage of time. This agreement has already been ratified by the United States and Mexico—our two other NAFTA partners.

Debate in Parliament, including at committees, is very important in our democracy, but the risk to Canada is also real. It is imperative we lock in the gains we have made with this agreement, the security we have achieved and the market access we have fought for by ratifying the new NAFTA without undue delay. That is what Canadians expect all of us to do and it's the right thing to do.

Thank you very much.

I'll be happy to take your questions.

• (1145)

The Chair: Thank you very much, Minister Freeland.

Again, congratulations to you, your staff and your team. You've done a tremendous job here, bringing this before us today.

Before I go to the speakers list, I would like to recognize that we have some visitors from a Mexican delegation and to welcome them. We have Juan José Gomez Camacho, Ambassador of Mexico and the Honourable Jesús Seade Kuri, Undersecretary for North America, Ministry of Foreign Affairs.

Would you stand for one moment so we can recognize you?

Thank you all very much for being here.

Some hon. members: Hear, hear!

The Chair: We will go on to Mr. Hoback for five minutes.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

I want to thank the minister for being here this morning and accommodating the committee.

Minister, I get that the process and the timing is so important. I understand the risks that are sitting there. We don't know what the Prime Minister may say today or tomorrow while he is seeking a UN security seat and how that will impact our relationship with the president. We saw that during the negotiations and how that created problems during negotiations. We know that timeliness is important.

One of my frustrations arises when I look at the U.S. system and how they went through the approval process. They had the agreement in April. We actually talked about this committee doing a pre-study in April and it was declined. We could have started then. In fact, I made the motion to do that and it didn't happen. We asked that Parliament be recalled in November or December, when we could have dealt with this. It wasn't done. We've looked for other opportunities to bring it forward sooner with no response.

I will also look at the fact that Lighthizer was talking to Nancy Pelosi almost on a weekly basis down there on the USMCA and how they could get it through the House, their Senate and to fruition. Their talks were ongoing between the government—the White House, in that scenario—and the Democrats, even during the

impeachment process, to get this done. Yet we still haven't had a call from the Prime Minister to our leader to say this is urgent.

I know you're doing the best you can with the tools you have in your tool box and doing anything to get this done, and we will. We will do everything we can. If you want us to sit later, we'll sit later. If you want us to sit on weekends, we'll sit on weekends. If you want us to sit during the break week, we'll sit during the break week.

There are a lot of people who are impacted by this agreement. We need to understand what those impacts are. We need to understand if there's anything we can do in implementation to mitigate those impacts. We need to know what that is. We need time. I'm concerned that, with the rush to get this done and the pressure to get this done, those people won't get heard. That's one of my concerns.

I guess when I look at that I see there are things that we needed to do when we looked at previous trade agreements, for example, TPP. We did two cross-country studies. Then we came back here and studied it again when the legislation came forward. Nobody is proposing that. We want to get it done as quickly as possible so it's moved forward and our traders can take advantage of this agreement, but we do need time. I hope you understand that we need time and we're doing our best to get it through without shunning the people who are impacted by this.

When we look at the agreement, we see that we need to get a better understanding of some things. I was with the aluminum producers this last week. I went down to Mr. Martel's riding. We talked about green aluminum. They talked about implementation. I talked to the primary producers of aluminum. I talked to secondary users. While they're not happy, they understand the importance of getting this agreement done, but they are looking for a mitigation program for them.

Have you thought through, for example, in the aluminum sector, what that may look like?

How do we go to these sectors and give those who are negatively impacted by this agreement a path forward?

• (1150)

Hon. Chrystia Freeland: First of all, let me thank the member from Prince Albert for his question and for the many conversations that we have had together about the new NAFTA. We go back to the time when I was sitting on the other side of the House, and I had the opportunity to ask the then Conservative government questions about trade. I really respect you, Mr. Hoback, with your long experience of trade issues and trade agreements and the many years now that we have spent talking about them and working on them.

You've raised a number of issues. Let me take them in turn.

Mr. Randy Hoback: Okay.

Hon. Chrystia Freeland: When it comes to Parliament and the committee having time to discuss this agreement, let me just say that the NAFTA negotiation was a long and very public and very consultative process. Throughout that process I appeared many times. I believe it was a dozen times that I appeared before parliamentary and senate committees to answer questions about the new NAFTA. Officials will correct me if that's wrong, please. Canada's trade officials have been available to all parties to discuss the agreement.

I'm actually very proud of the extent to which the negotiation was a very public, very consultative process including members of Parliament, but more broadly also including members of the NAFTA council, including premiers, mayors, business leaders, labour leaders and indigenous leaders across the country.

Mr. Randy Hoback: We didn't get things like this agreement here. We didn't get information like this. In fact, we still don't have that.

Hon. Chrystia Freeland: Mr. Hoback, would you like me to finish answering all of your questions?

We have consulted extensively throughout the process, as is appropriate, and answered questions at committee and in Parliament throughout.

To the question of opposition parties having access to information about the final protocol of amendment, which has concluded the agreement and forms the body of the agreement we are now debating and seeking to ratify, immediately upon our conclusion of that protocol of amendment, we made our officials available to brief all the opposition parties. I know that Steve Verheul briefed all the parties, including the Conservative Party, including Mr. Scheer and his caucus. Information was made available right away.

To the idea that somehow we could have begun an official study of this agreement before the protocol of amendment was signed, let me simply say that it would have defeated the purpose of allowing Parliament and the committee to fully debate the finalized agreement. That finalized agreement was concluded only in December, after an extensive series of discussions between Canada, Mexico and the United States to introduce some further modifications to the agreement, which allowed for ratification in the U.S.

Mr. Randy Hoback: We could have pre-studied it—

Hon. Chrystia Freeland: When it comes to those modifications, let me say one thing very clearly and with absolute conviction, and that is that the modifications that we agreed to in the protocol of amendment in December are 100% in Canada's national interest. It is very rare to have a negotiation where you can say that, but that set of modifications made a good deal better for Canada.

I see that our chair is asking me to wind up. I would be happy to go into those further, and I'd be happy to say more about aluminum. I suspect Simon-Pierre may have some questions for me about that.

[Translation]

We shall see.

[English]

The Chair: Thank you very much.

Mr. Arya, you have five minutes, please.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Madam Chair.

Deputy Prime Minister, thank you so much for the work you and your team have done. On behalf of the people of Nepean, and indeed on behalf of all Canadians, I would like to thank you and your team.

This is a good agreement. A lot of members of Parliament from all sides of the House have worked hard for a long time to protect the interests of the automotive sector, the steel sector and the aluminum sector. They have worked very hard on these things.

However, the economy is changing worldwide. We are going to a global knowledge-based economy. Here in Canada the economy is changing so much. To give an example, a non-trade one, international students were contributing very minimally 10 years back. Today we have 500,000 international students contributing \$21 billion to the Canadian economy. I'm told that is bigger than the automotive sector here.

The steel industry and the aluminum industry have not seen any new greenfield projects, new capacity added, in 10 to 15 years—I may be wrong. Ten or 15 years back, we were second or third in the world in our aluminum capacity; however, during the last 10 to 15 years, I have not seen one new smelter set up in Canada.

I don't know whether this agreement is going to solve the problem, but the point is that the economy is changing and trade is changing, and 10 or 15 years down the road, will this agreement be good enough for the changing trade requirements in the new knowledge-based economy? I would like to know your views on that.

● (1155)

Hon. Chrystia Freeland: Thank you very much, Mr. Arya. That is an excellent question. It points to something about the new NAFTA that is not fully appreciated by Canadians.

Something we have discussed often with the negotiators is that in many ways the negotiation around the new NAFTA was almost a two-level negotiation. There was the very high-profile set of issues, often about Canada's pushing back against unprecedented protectionist demands from the United States. That was what was most visible to Canadians, what Canadians were quite rightly most concerned about. Then there was a negotiation on what we sometimes have referred to as the set of bread and butter trade issues. These are the kinds of issues trade negotiations are more routinely concerned about, and they're where some of the greatest gains of NAFTA were won. Let me talk about a few of them.

One is that this agreement has very successfully removed a lot of the red tape associated with cross-border trade. In the consultations we did before and during the negotiation, one of the things we learned, and that we heard most urgently from Canadian businesses engaged in trade in the NAFTA region, was that their greatest issue was all the red tape involved in trade. We heard from a surprising number of businesses that simply didn't bother to claim their NAFTA preferences because the red tape was so overwhelming. Think about that. The weight of the red tape was greater than the value of the tariff-free access that NAFTA offered.

One of the real pluses of this agreement is that, working together with the United States and Mexico, we have done a very good job of cutting back a lot of the red tape by using some of the technologies that the 21st century allows to make it easier for people to trade. That is one of the things we did with NAFTA. It doesn't make a great headline, but it will make life easier for a lot of Canadian businesses and will make them much more competitive.

In terms of the 21st-century economy more broadly, that was another part of this that was beneath the sea level, if you think of an iceberg. There was the tip of the iceberg, the very visible struggles, and then there was all the rest of the iceberg. That was another part of all the rest of the iceberg of the negotiation: a stated effort where we had real agreement between Canada, the U.S. and Mexico to modernize this agreement, to make it relevant to the shape of the 21st-century economy, relevant for the service sector and for sectors of the economy that are based much more on intellectual property than on physical goods. I think we achieved a great deal there.

I would like to make one final point. When it comes to certainty in the future—and to me, this is a very important element of the new NAFTA, something that I hope we in Canada will be able to replicate—after an arduous process of negotiation, we have achieved an agreement that has strong cross-party support in both the U.S. and Mexico.

Mr. Hoback referred to the fact that the U.S. managed to ratify this agreement in the heat of the impeachment struggle in the U.S. We have, in the new NAFTA, an agreement that both Nancy Pelosi and Donald Trump support. I struggle to think of anything else those two important American leaders both support. It's important for Canada that they both support it, because that gives us a real guarantee for the future.

• (1200)

Madam Chair is asking me to wrap up, but let me just conclude by also referring to our guest from Mexico, Mr. Seade. He represents a government that was not in office when the bulk of this agreement was negotiated. I would like to thank and acknowledge the work of Ambassador Seade, and also of President López Obrador. They did a difficult thing, which was to take an agreement that was negotiated by their predecessors and political opponents, take ownership of it and get it across the finish line. That's a real show of national unity in Mexico.

I think it would be great if we could accomplish the same thing here in Canada.

Thank you.

The Chair: Thank you very much, Minister Freeland.

We'll move on to Mr. Savard-Tremblay.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Good morning, Deputy Prime Minister. Thank you for coming here to answer our questions. Thank you also for the prompt just now when you said that I would like to ask you questions about aluminum. However, I am first going to ask you one about another sector, if you don't mind.

There have been frequent discussions on the new agreement. It has also been debated in the House and in other situations. In general—as you repeated here—you see the new agreement as progress over the previous NAFTA. We are not here to oppose this on principle. We are here to study the new agreement and to determine whether or not it does represent progress over the previous agreement. On some points, we can state at the outset that there is progress.

However, I would like to ask you some questions about agriculture, more specifically the dairy sector. As we know, the market has been opened up by 3%, which could represent losses of \$150 million annually. Class 7, the class dealing with milk proteins, was eliminated, as were some export control provisions. Those provisions could apply to third countries. In fact, milk producers are currently pouring a part of their surplus protein into international markets, especially in Asia and the Middle East.

In terms of agriculture, that is to say dairy production, is it your opinion that the new agreement is superior to the previous one?

Hon. Chrystia Freeland: Thank you for the question, Mr. Savard-Tremblay.

I am surprised that your first question is not about aluminum.

Mr. Simon-Pierre Savard-Tremblay: We are full of surprises.

Hon. Chrystia Freeland: I see that, but I will be very happy to answer questions about aluminum too.

Mr. Simon-Pierre Savard-Tremblay: I will be happy to ask them.

Hon. Chrystia Freeland: In terms of the agreement overall, I would like to start by saying that I am convinced that it is a good agreement for Canada and for Quebec. I am convinced of that because there were long consultations and discussions with entrepreneurs, workers and leaders in Quebec. As you are well aware, Premier Legault has said openly and clearly on a number of occasions that he and the federal government agree that this agreement is very significant and good for Quebec. I agree with Mr. Legault.

I have also observed, both in the negotiations on NAFTA and in those on CETA, that Quebec is one of the provinces in Canada that understands the importance of international trade very well. Quebec has negotiators with a lot of experience and we worked in close collaboration with them.

As for agricultural and dairy producers, it is important to understand the context. As I said in my remarks, the United States began with a clear demand, to completely dismantle the supply management system. To me, that is an astonishing demand. As you are well aware, that has been what the United States has wanted for a number of years. Once again, they tried to completely dismantle our supply management system.

I believe they thought it would be possible. I am very proud that our government stood firm in its response. We said that it would not be possible and that we were going to keep our supply management system.

You are right when you say that, in the negotiations, we gave the United States a little more access to our market, as the previous government had done in the negotiations on the Trans-Pacific Partnership (the TPP) and CETA. I agree with you and with the dairy producers of Canada that, as a result, it is essential for our government to provide fair and equitable compensation to Canadian dairy producers. I hope that all political parties will support that measure. Throughout the negotiations, I had long discussions with Canada's dairy producers. So the producers are well aware of everything that Canada has done.

I would like to take this opportunity to thank the producers in the dairy sector for their support and collaboration. People in the sector are well aware that Canada lives in a world of international free trade. We need open markets, but we have to preserve a part of our own market by protecting our supply management system.

It is complex, it is difficult, and producers in the sector stood with us throughout the process. After the agreement is ratified—which I hope will be done quite quickly—it will be time to provide those producers with fair and equitable compensation.

• (1205)

[English]

The Chair: Thank you very much. Your time is up, sir.

[Translation]

Hon. Chrystia Freeland: We will continue later.

Mr. Simon-Pierre Savard-Tremblay: Yes, with pleasure.

[English]

The Chair: Mr. Blaikie

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much, Minister, for appearing here today. You probably [*Technical difficulty—Editor*] on the committee that the NDP has often been a critic of the model of free trade, in particular in the original NAFTA debate. The NDP led the charge against that. Within that agreement the items of particular concern, not exclusively but of focus, were the ISDS provisions in the original NAFTA and the proportionality clause.

We recognize that in this version those aren't there. That creates an opportunity for reflection on our part. We've certainly been deliberating on that, but you'll know also, from a letter that I sent you in December, that a concern of the NDP on the trade agenda has been, for a long time, the process by which Parliament, and by extension Canadians, are included in the trade process.

We heard earlier today the ways, depending on the deal, that can unfold. Parliament has been included in different ways at different times for different deals. In the last few weeks I've been talking about ways that we might come to some understanding about a meaningful first step we can make in this Parliament towards having a more codified trade process that would better articulate the role of Parliament and get Parliament involved a little earlier, which would address some of the concerns we heard earlier.

I wanted to share some proposals with you and get your feedback on those proposals.

In particular, as a good first step, we think it would make sense for the government to table a notice of intent, when it is intending to enter into negotiations, at least 90 calendar days prior to the commencement of negotiations. It would be tabled in the House and then referred to this committee or its successor for study. Then within 30 calendar days prior to the commencement of negotiations, the government would table its objectives for the negotiations. We think it would introduce another level of accountability to have the government state its objectives clearly, so that the deal can be assessed in light of those. Also, an economic impact assessment would be tabled in the House of Commons coincident with the introduction of the implementing legislation so that parliamentarians would have the economic data at the same time at which they have the changes to the laws they're being asked to contemplate. We've heard some debate about this at this table already with respect to CUSMA.

I'm looking for your feedback on those measures as a first step towards having a more concrete trade process here in Canada.

• (1210)

Hon. Chrystia Freeland: Thank you very much for those questions, Mr. Blaikie, and also for the very detailed, professional conversations you and I have been having in recent weeks, and that have also involved our excellent trade officials who, I believe, have forgotten more about trade than any of us will ever learn.

I'd like to respond in two parts, first, talking about overall trade and progressive Canadians, and then second, about your specific proposals.

One of my objectives from the outset of this negotiation has been to achieve a truly progressive trade agreement, a trade agreement that Canadians, who perhaps traditionally have had doubts about the virtues of free trade, could support. That is why, among other things, we made a real effort to include union leaders, and I'd like to single out Hassan Yussuff, who I know has been speaking with you a lot as well, for his participation in the NAFTA council and for the advice he has offered throughout the negotiation.

Mr. Blaikie, you've pointed out two issues that progressives in Canada...and actually Mr. Manley has long been concerned about one of the issues you mentioned, ISDS. However, you mentioned concerns that progressives have long had with free trade agreements in general, and the new NAFTA in particular: ISDS and the proportionality clause. Two of the things I am the proudest of with the new NAFTA is that we have gotten rid of ISDS completely—a huge victory, a real benefit to Canada and a powerful precedent—and we have gotten rid of the proportionality clause.

I would also mention, as an element of the progressive trade agenda that we have not only articulated but done in the new NAFTA, the unprecedented protections for labour. Mexico—and again thank you very much, Ambassador Seade—as part of this agreement, has implemented historic labour reforms giving Mexican workers the right to organize. This agreement critically makes that commitment by Mexico enforceable. That is a huge win for workers in Canada, the United States and Mexico. The same is true of labour value content provisions. It is also true with our unprecedented environmental protections and protections for indigenous people and on the basis of gender.

Now I want to get to the second part of your question. I also would like this agreement, the entire negotiation process, ultimately, the ratification, to give us certainty in our trade with the U.S. and Mexico, but also to solidify the national consensus around Canada as a trading nation. I agree with you that transparency is a good thing. In the process of the NAFTA negotiation we have sought to be very transparent and very consultative with Canadians, but I agree with you that it would be a good thing to seek to formalize some of the things we have done. When it comes to the 90-day notification, let me simply say that Canadians had far more time than that to know we would be entering into a NAFTA negotiation, but it's a good thing to let Canadians know when we're contemplating working toward a trade agreement.

On the statement of objectives, we launched the NAFTA negotiation with a pretty long speech that I gave here in Ottawa, stating at some length what Canada's objectives would be. I think that was important for Canadians to hear. Again, I think that we would look very favourably at the notion of finding some way to codify that effort, likewise when it comes to sharing with Canadians our assessment of the economic impact of a particular deal.

• (1215)

The Chair: [*Inaudible—Editor*]

Hon. Chrystia Freeland: Do I have to stop? Okay.

Let me simply conclude by saying, I think those are very constructive, productive ideas, and I thank you for putting them forward in such a thoughtful way. I am confident that working together we can find a way to give Canadians even more transparency, and confidence in more transparency, in future trade agreements.

The Chair: Thank you very much.

We'll move on to Mr. Carrie for four minutes.

Mr. Colin Carrie (Oshawa, CPC): I'll try to get through this as quickly as I can.

Minister, I think we're all in agreement. You mentioned that there's a certain amount of risk and uncertainty as time passes. I just want to be clear that from this side we're going to do the best we can, use all the tools we can, to make sure we do this efficiently. However, you did promise that we'd be moving in lockstep with the Americans and the Mexicans, and we do have a constitutional obligation to review the agreement.

We're hearing from families, businesses and sectors that may be negatively affected, and we want to go through our obligation to do this study and give witnesses an opportunity to get their comments on the record.

Mr. Hoback was.... We didn't quite finish with that, the American process, but if we actually look at the timeline and the process in the U.S., we see that in April of 2019, the Americans were open and transparent. They gave an economic impact study to their legislators and lawmakers ahead of time so they could actually review it. As you quite rightly said, there were some amendments made, and I think around the table here we could say the amendments made the agreement better all around.

My concern is that, here on the Canadian side, we weren't given the same courtesy, and perhaps we could have made the agreement a little better, if it were considered by all parties.

We've been asking you in the House, over and over again, about economic impact studies. I'm hearing from people saying, "Well, what does she have to hide?" Basically, I'd like to give you the opportunity. Why has the government been so unco-operative? It is so frustrating that it hasn't given us any of the information about the economic impacts of the study, as we move forward on designing some supports for these families and businesses and sectors that are negatively impacted, yet that knowledge is out there.

Hon. Chrystia Freeland: Thank you very much, Mr. Carrie. Although we can't and we will never agree on everything, I am pleased to learn that we do agree that the changes that were codified in the protocol of amendment in December with the U.S. and Mexico make what I would characterize as a good deal even better. It's good we can agree on that.

I won't spend too much time comparing the U.S. process with the Canadian process, except to say that, certainly from my perspective, our process is different because we are a parliamentary democracy and I think our Parliament is fantastic. I love the Canadian system of representative democracy, but the reality is that, in the U.S. House, the time of the finalization of the protocol of amendment to the time of the U.S. House actually ratifying this deal was a matter of weeks. It was a very, very—

Mr. Colin Carrie: I agree with you, Minister, there, but—

Hon. Chrystia Freeland: May I please finish? I listened to you without interruption.

Mr. Colin Carrie: You could, but I only have 40 seconds left and the question I asked you was—

Hon. Chrystia Freeland: If you want to use the 40 seconds by talking, I'm happy to listen.

Mr. Colin Carrie: I'm just curious. What are you hiding? We want to have those economic impact studies so that we can do our due diligence as quickly as possible. Even your chief negotiator said that there were fundamental flaws in the American process, and they had, literally, a couple of inches to go through. We have a blank page, Minister. We have absolutely nothing, so if you really would like this to move forward as quickly as possible.... We're just getting very frustrated with asking you in the House. You're not providing the information for us to do our due diligence. That was the question. Could you answer that question, please?

• (1220)

Hon. Chrystia Freeland: I think there are actually a number of questions. When it comes to the economic analysis, if the chair would like me to answer that now I can, or I will just begin my answer to the next question with an answer to that.

The Chair: They are four-minute rounds and the four minutes are up.

Hon. Chrystia Freeland: We have absolutely nothing to hide. We are very confident that this is a good deal for Canada and Canadians, and I would also point out that this is not purely the judgment of our government. It is the judgment of the overwhelming number of Canadian businesses, Bay Street analysts, economists, labour leaders and business leaders across the country.

Thank you.

The Chair: Mr. Carrie.

Mr. Colin Carrie: I would just like to say that, if the minister believes that, I would like to move a motion to ask the minister to provide an economic impact statement. Basically it reads like this. We don't have to debate it right now—

The Chair: Could you not have done that when you had your time? You don't have the floor now.

Mr. Colin Carrie: I tried to move it but the minister kept talking.

I'll be very quick.

The Chair: I know you're very good at knowing how to make a point of order, Mr. Carrie.

I really have to get on to Mr. Dhaliwal and our other members before the minister has to leave. I'm sorry. I think it's important that we make sure other members get their four minutes.

You could have moved it right at the beginning, Mr. Carrie. That is the point I'm trying to make.

Mr. Hoback.

Mr. Randy Hoback: In regard to this, if you let him read it into the record we can park it until afterwards so that Mr. Dhaliwal can get into questions. At least let us get it on the record for now.

The Chair: He should have put it on the record when he had his four minutes. That's the issue.

Mr. Randy Hoback: He tried.

The Chair: No, he didn't try. All he had to do was get my attention and I would have certainly interrupted the minister and allowed him to do that. Now that time is up and we're using valuable time.

Because we have Minister Freeland here only until 12:30 the other members want an opportunity.

I have Mr. Dhaliwal next on the speaking list. Then if we have enough time, we have Mr. Kram.

Mr. Dhaliwal, you have four minutes.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Thank you, Madam Chair.

Deputy Prime Minister, I want to commend you for your leadership and team Canada for the work they have done that essentially brought home a deal for Canada and Canadians.

The Liberal government has made a number of contributions to support women and girls, and gender equality. My question to you is on this. When I look at Surrey—Newton, and Surrey in general, there's a growing number of businesses that are run by women, particularly small businesses. How is this agreement going to help women and girls, young entrepreneurs and LGBTQ communities?

Hon. Chrystia Freeland: Let me, first of all, thank you, Mr. Dhaliwal, for the hard work that you have done throughout this negotiating process. I know this agreement is important to you personally, and to your constituents. It's been a pleasure to work with you on it.

I'd like to start by being a little more precise on the times when, throughout the agreement, I have appeared before committee. I believe that I have appeared before committee to talk about NAFTA four times already. Those were August 14, 2017; February 8, 2018; June 19, 2018; and May 28, 2019—that's for House committees. We'll give you more information in due course about Senate committees. I did refer to previous committee appearances and I wanted to be precise about that.

When it comes to women and girls, that is actually one of the lesser-known successes of this trade agreement. In this agreement, we were able to achieve new—much greater than we have in the current NAFTA—protections for Canadian women and girls, and protections for Canadians when it comes to labour issues in particular, such as that Canadians and their gender identification should not be a cause for discrimination.

As I mentioned in my opening remarks, we were also able to achieve unprecedented protections for indigenous people, including the special role indigenous people have when it comes to protecting our environment.

These are really some new areas for trade agreements to codify. It's part of what I was speaking about with Mr. Blaikie, of the progressive trade agenda that our government has sought to put forward. We had put together in the trade team an entirely new group of officials who, for the first time, were working together specifically on the indigenous issues. It is really new ground for Canada. There is a lot more to be done, but I am pleased that we were able to move the puck forward when it comes to protections for women, protections for girls, protections for LGBTQ people and protections for indigenous people in this landmark agreement.

When it comes specifically to the protections for indigenous people, I would like to thank, by name, Perry Bellegarde. He was a member of our NAFTA council. He worked very hard with us on all aspects of the new NAFTA but in particular on the indigenous issues, and he worked with indigenous partners across North America. I think this is an area in which, going forward, when it comes to trade agreements, Canada will need to continue to do more work. With the new NAFTA, we have laid what I believe are some really important, really valuable foundations.

The protections for indigenous people, for women and girls, and for LGBTQ Canadians are part of the labour and environmental chapters where, overall, we have made some really great progress, both in the specific content of those chapters and also.... Again, I'm turning to Mr. Blaikie as well, because this has long been a concern—I'll finish, Madam Chair—of progressive people thinking about trade. It has been to do better on labour and the environment, but also to do better when it comes to enforceability. I think one of the very strong features of the new NAFTA is much greater enforceability on the environmental chapter and particularly on the labour chapter.

Thank you.

• (1225)

The Chair: Thank you very much, Minister Freeland.

I'll move on to Mr. Kram for, I believe, two minutes.

Mr. Michael Kram (Regina—Wascana, CPC): As you can imagine, I'd like to begin by moving a motion and having it read into the record. The motion is as follows:

That, in relation to the committee's study of Bill C-4, An Act to implement the Agreement between Canada, the United States of America and the United Mexican States and pursuant to Standing Order 108(1)(a), the Deputy Prime Minister provide the committee with the economic analysis of the agreement prepared by the Chief Economist at Global Affairs Canada and that the committee invite the Chief Economist at Global Affairs Canada, Marie-France Paquet, to appear before the committee to give testimony and answer questions on the economic analysis of the agreement.

Can we discuss this motion after we have finished questioning the minister?

The Chair: Yes, we'll hold it down.

Mr. Michael Kram: Thank you.

Thank you, Minister Freeland, for being here.

Given that time is tight, I'll go straight to my question about the new dairy export tariffs. To your knowledge, has Canada ever agreed in a past free trade agreement to limit Canadian exports to a country that was not party to the agreement?

Hon. Chrystia Freeland: When it comes to the supply management sector, let me start by saying something that it is very important. In this negotiation, Canada faced an unprecedented U.S. demand. It was an explicit and open demand that we dismantle the supply management system entirely. The U.S. starting position was that, for us to do a deal with the United States to preserve our essential market access, the price would be to entirely do away with supply management. It's very important for Canadians to be clear that was the U.S. position.

I really want to thank the members of Canada's supply management sector, Canadian farmers, who have an extremely sophisticated understanding of trade agreements, and with whom we consulted extensively. They were very aware of what the U.S. position was, and they were very aware of the extreme lengths that Canada went to in order to preserve our supply management system.

I am very pleased with the outcome we achieved, which was that, by offering limited access to the Canadian market, we were able to preserve our supply management system.

I would point out as well, and we've been asked this question already and I think it is an important one, that we do recognize that this part of the agreement does mean that our supply management farmers are absolutely entitled to fair and equitable compensation. That is something to which this government is absolutely committed. It's something I'm very happy to reiterate today so that all Canadian supply management farmers to know that, once we get this agreement ratified—and we're in the process of it entering into force—the government is absolutely committed to putting in place fair and equitable compensation for our supply management farmers.

• (1230)

The Chair: Thank you very much, Minister Freeland, Mr. Verheul and Ms. Hillman. Thank you all very much for being here.

We will suspend for two minutes while our other witnesses come to the table.

• (1230)

(Pause)

• (1235)

The Chair: I'm calling the meeting back to order.

Sorry, folks, we have a lot on our agenda, so we have to just keep on a roll.

Yes, Ms. Bendayan.

Ms. Rachel Bendayan (Outremont, Lib.): Madam Chair, I would like to move a motion regarding the study schedule for Bill C-4. The motion pertains to the study that we're currently undertaking, and it's based on the motion that was introduced by our colleague Mr. Carrie at the last meeting.

I'm introducing a fresh motion. For procedural ease, I have copies, which I will give to the clerk.

The Chair: Do you have them in both official languages?

Ms. Rachel Bendayan: I do, Madam Chair.

Mr. Randy Hoback: I have a point of order.

The Chair: Sorry, Ms. Bendayan, just hold on a second. I have a point of order here.

Mr. Randy Hoback: Just to review the process, are we going to hear witnesses and then do motions at the end of the meeting, or did you want to go into motions now and deal with all the motions before the witnesses?

The Chair: My suggestion is to let Ms. Bendayan table her motion, and then we can continue on with witnesses and choose to do it afterwards, at the end of the meeting.

Mr. Randy Hoback: I'm okay with that if you're okay with that.

The Chair: We had agreed, with Mr. Carrie's motion, to deal with it at the beginning of this session, which is the reason we're dealing with it.

Mr. Randy Hoback: I'm just confused then. Do you want to deal with in its entirety, or do you want to get yours on the record for now and then deal with it at the end of the session?

I'm okay either way.

The Chair: Maybe a suggestion is that we deal with it at the end of today. We could find ourselves an extra 10 minutes so we don't interrupt our witness time.

Mr. Randy Hoback: Then we can give our witnesses a chance.

I'm good now, thanks. Please, go ahead.

● (1240)

The Chair: I'm sorry, Ms. Bendayan.

Ms. Rachel Bendayan: It's no problem. Yes, I'm fine with that. Thank you, Mr. Hoback.

The motion you have before you specifies that the bill would be reviewed by colleagues in three other committees: the Standing Committee on Agriculture and Agri-Food; the Standing Committee on Industry, Science and Technology; and the Standing Committee on Natural Resources.

It also lays out a timeline for suggested amendments to be returned and for clause-by-clause.

I can now read the motion, Madam Chair.

The Chair: Yes, please do.

Ms. Rachel Bendayan: I'll read it in French.

I believe that you have French and English, recto-verso, in front of you.

[*Translation*]

I move:

That: (a) the Chair of the committee write, as promptly as possible, to the Chairs of the following standing committees to invite them to undertake a subject-matter review of the following provisions of Bill C-4, An Act to implement the Agreement between Canada, the United States of America and the United Mexican States and the impacts of provisions relating to their respective mandates;

(i) the Standing Committee on Agriculture and Agri-Food, clauses 44, 46, 53 and 59;

(ii) the Standing Committee on Industry, Science and Technology, clauses 22 to 38, 108 to 113;

(iii) the Standing Committee on Natural Resources, clauses 207 to 212;

(b) for the Standing Committees listed in (a),

(i) if a standing committee listed in (a) chooses not to consider the subject matter of the provisions, it advise the Chair of the Standing Committee on International Trade by letter, in both official languages, no later than 4:00 PM on Friday, February 21, 2020.

(ii) that the Standing Committee be requested to convey recommendations, including any suggested amendments, in both official languages, in relation to the provisions considered by them, in a letter to the Chair of the Standing Committee on International Trade, in both official languages, no later than 4:00 PM on Tuesday, February 25, 2020;

(iii) any amendments suggested pursuant to paragraph (b)(ii) shall be deemed to be proposed during the clause-by-clause consideration of Bill C-4, and further provided that the members of the Standing Committee on International Trade may propose amendments notwithstanding the recommendations received pursuant to paragraph (b)(ii);

(c) that proposed amendments to Bill C-4 be submitted to the clerk of the committee in both official languages no later than 12:00 pm on Tuesday, February 25, 2020;

(d) that the committee proceed with the clause-by-clause consideration of Bill C-4 no later than Friday, February 28, 2020, provided that the Chair may limit debate on each clause to a maximum of five minutes per party, before the provision is put to a vote;

(e) that if the committee has not completed the clause-by-clause consideration of Bill C-4 by 11:59 pm on Friday, February 28, 2020, all remaining amendments submitted to the committee shall be deemed moved, the Chair shall put the question, forthwith and successively, without further debate on all remaining clauses and amendments submitted to the committee, as well as each and every question necessary to dispose of the clause-by-clause consideration of the Bill, as well as all questions necessary to report the Bill to the House and to order the Chair to report the Bill to the House as early as possible.

[*English*]

The Chair: All right, thank you very much. That is on the order paper. I suggest that we try to find 15 minutes at the end of our meetings today to discuss all of the three motions that are in question today.

We will now move forward with our witnesses in this section. From the Business Council of Canada, we have Brian Kingston, vice-president of policy, international and fiscal. From the Council of Canadians, we welcome Sujata Dey, trade campaigner, national, here via video conference from Guadalajara, Mexico. From the Canada West Foundation, we have Carlo Dade, director, centre for trade and investment policy.

Thank you all very much.

We will start, please, with Brian Kingston for the Business Council of Canada.

Mr. Brian Kingston (Vice-President, Policy, International and Fiscal, Business Council of Canada): Madame Chair, committee members, thank you for the invitation to take part here today in your consultations on Bill C-4.

The Business Council of Canada represents the chief executives and entrepreneurs of 150 leading Canadian companies in all sectors and regions of our economy. Our member companies employ 1.7 million Canadians, account for more than half the value of the Toronto Stock Exchange, contribute the largest share of federal corporate taxes and are responsible for most of Canada's exports, corporate philanthropy and private sector investment in research and development.

It almost goes without saying, and I've said this many times before in front of this committee, that trade with the United States is absolutely critical to our prosperity. The Canadian economy depends on international trade, clearly, and the U.S. is by far our largest trade and investment partner. Trade of goods and services represents around 64% of Canada's gross domestic product, with the U.S. the destination for 75% of our goods exports last year.

The Business Council strongly supports CUSMA/USMCA and calls for the swift passage of Bill C-4, for four critical reasons.

The first is that the agreement protects market access. When negotiations were first launched, we had one overarching recommendation for government and for our negotiation team, and that was to do no harm. To avoid damaging employment, trade and investment, Canadian, American and Mexican businesses need to retain their preferential access to markets and commercial opportunities in each respective country. By this measure, CUSMA is an overwhelming success. The resulting agreement is based upon reciprocal access and treatment, and no Canadian company will face new tariffs or other market access barriers in North America as a result of this deal.

Given recent reports that the White House is considering raising its WTO bound tariff rates, the importance of quickly ratifying this agreement is even greater. I just might add that, at the beginning of these negotiations, the overarching U.S. objective was to “[i]mprove the U.S. trade balance and reduce the trade deficit with the NAFTA countries.” In other words, the U.S. wanted to restrict imports, not liberalize trade, as is usually the objective in a trade agreement. Given that this is where we started, the final deal achieved the number one objective for the Canadian business community by protecting our market access and doing no harm.

The second reason that we strongly support this agreement is that it removes uncertainty from the Canadian economy. The ratification of CUSMA eliminates significant trade uncertainty. According to the Bank of Canada, protectionist trade measures around the world right now are estimated to reduce global gross domestic product by about 1.3% by 2021. Given that the U.S. remains the key market for Canadian firms that are planning to grow and invest abroad, reducing uncertainty in this critically important relationship will be a boost for the Canadian economy at this time.

The third reason is that the agreement modernizes NAFTA, and this tends to get overlooked at times. CUSMA will improve the trade relationship by modernizing long-outdated elements of NAFTA. The agreement is largely based on the text of the trans-Pacific partnership, which is our most modern trade agreement. For example, there are chapters on digital trade that prohibit customs duties and other discriminatory measures from being applied to digital products, while ensuring that data can be transferred across borders. This is a significant improvement on NAFTA and something to be applauded.

• (1245)

The fourth reason is that it enhances North American competitiveness. CUSMA includes new chapters and provisions that will help us develop a more productive and mutually beneficial relationship, including a chapter specifically on competitiveness and one on good regulatory practices. We call on government to take advan-

tage of these new mechanisms by developing a robust committee work plan.

Before I conclude, I'll just say a word on timing. The U.S. and Mexico have moved to ratify this agreement in their respective legislatures. While we have every right to review and assess the deal, I caution against unnecessary delays. Given all the challenges facing the Canadian economy right now, including rail blockades, coronavirus and our deteriorating relationship with China, the last thing we need to add into that very concerning mix is a delay on this deal with our most important trade partner.

I'll conclude with that, and I look forward to your questions.

The Chair: Thank you very much, Mr. Kingston.

We'll move on to Ms. Dey from Guadalajara, Mexico. We have you on video conference, of course. You look great sitting there. We were concerned we might lose our connection, so it's important to make sure that you get your full time with us today. Thank you.

[*Translation*]

Ms. Sujata Dey (Trade Campaigner, National, Council of Canadians): Good afternoon.

My name is Sujata Dey, and I am responsible for the Council of Canadians' international trade campaign.

Thank you for giving me the opportunity to speak to you about the Canada—United States—Mexico Agreement, or CUSMA, from outside the country. As you said, I am in Guadalajara where this agreement is known as T-MEC. But you have my word that I am here by chance.

With more than 100,000 members, the Council of Canadians was founded on the heels of the debate over the first free-trade agreement between the United States and Canada. It was THE major topic of debate in the elections of 1988.

As many have said, a number of things have changed since 1988. At the time, our organization, just like the Liberal Party and the NDP, in fact, was concerned about Canadian sovereignty. Nationalism was the issue.

• (1250)

[*English*]

Decades later, many of our concerns are the same as they were in 1988: downward pressure on our social protections and regulations, privatization and deregulation of the public sphere, and the way these deals contribute to lowering conditions for workers and the environment.

It is not just about Canadian values. It is about how free trade, as codified in these agreements, protects the interests of multinational corporations rather than those of people and the planet. As Maude Barlow, our chairperson, wrote, “The most important thing both the FTA and NAFTA did was to create North American economic integration...and the country origin of these companies meant less and less. So it was less about where the company originated than the way it used these trade agreements.”

Often when these trade agreements are conceived, they're framed very strictly: winners and losers, industries and markets. Yet, these agreements reshape our democratic rules and our societies, not just our global markets.

With President Trump's renegotiation of NAFTA, we inherited the same model. Again, the bulk of the conversation was on supply chains and trade volumes. While there were attempts to involve civil society, this was not the central part of the agreement. Neither were MPs, our democratic representatives, implicated in the hatching of this agreement. Indigenous partners were not on the same level as states.

As such, we have an agreement that may contain some improvements, but that is still sorely lacking in many areas. That is sad because this is happening at a time when we have global problems such as growing wealth inequality, which is leading people to choose the path of dangerous populism. There is a very real climate crisis, and these issues should also be addressed in trade agreements, not undermined by them.

When I spoke to this committee in 2019, just before the federal election, I noted that we were very happy to see a few important changes. Over 35,000 of our members wrote to MPs asking for some of them.

ISDS, or the investor-state dispute settlement mechanism, has been taken out of the agreement, at least for Canada and the U.S. This investment chapter gives corporations the right to sue governments over their policies. NAFTA made Canada the top ISDS target: It became the developed country with the most cases against it. As most of these cases were focused on environmental regulations, this hampered Canada from taking bold climate action.

All over the world, ISDS is becoming more unpopular. From now on, Canada must not accept this clause in any of its agreements, whether in CETA—where it is very contested—in the CPTPP or in any similar mechanism proposed at the WTO. It is simply too dangerous.

As well, the mandatory energy proportionality provisions that mandated us to export a quota of energy to the U.S. have been removed from the new NAFTA. That will give us more policy room to meet our G8 and Paris commitments.

[*Translation*]

The cultural exemption has been strengthened and now applies to the digital industry. The Council of Canadians and le Réseau québécois sur l'intégration continentale wrote an open letter in defence of this principle. The letter received support from Margaret Atwood, Susan Swann, Jane Urquhart, Ronald Wright and Jack Stoddart. In Quebec, support has come from France Castel, Do-

minic Champagne, Philippe Falardeau, Pierre Curzi, Micheline Lanctôt, Yann Perreau, Lorraine Pintal and Michel Tremblay, among others.

Indigenous artists like Marco Collin and Tantoo Cardinal are among those who support the principle.

[*English*]

In the spring of 2019, there was a panic to ratify the agreement as soon as possible. In June, Council of Canadians members wrote to their MPs urging them to wait for the Democrats in the U.S. Congress before they finished improving the agreement. Our members were also concerned about the biologic provisions that would make drugs more expensive. This would add to the cost of an eventual pharmacare program. Luckily, those provisions were removed in the democratic process. Labour provisions were also strengthened, so we feel it was definitely worth the wait, but there are still serious problems with the agreement.

• (1255)

[*Translation*]

The chapter on regulatory cooperation may appear harmless, but it is not. It actually allows private interests to participate in a process parallel to the parliamentary and democratic process. That imposes new requirements on those responsible for the regulation in terms of defending the new policies. If that process is not adequate, states can challenge the regulatory measures through the dispute settlement regulations.

[*English*]

CETA has a similar voluntary co-operation chapter that is much less stringent than the one in the new CUSMA. Together with food-watch, a European advocacy group, this week we revealed documents under an access to information provision that showed just one of the meetings of this regulatory co-operation committee. It showed that Canadian regulators were successful in challenging sometimes higher European Union animal and plant legislation, as well as legislation on pesticides and herbicides. They were also using this committee to attack the precautionary principle, which is used in the EU.

In this committee, Canada has regularly done regulatory co-operation with the U.S., but now the new CUSMA codifies it. The documents showed that in many cases Canadian regulators were unwilling to discuss the issues with the EU because they were very concerned about harmonization with the U.S. This is alarming for citizens, because it suggests that these committees, rather than protecting our human and animal safety, protecting us from toxins and trying to prevent harm, are using this chapter to weaken regulations. We need checks and balances in this implementing legislation, including parliamentary oversight of these eventually industry-created committees.

On farming, much has been said about attacks on supply management and quotas for American dairy products entering the Canadian market. At the Council of Canadians, we're also worried about the standards of additional U.S. milk coming over the border. In the 1990s, we successfully campaigned to end the licensing of bovine growth hormone here in Canada. This hormone makes cows produce 25% more milk, but at the expense of cow health. BGH is used in the U.S. and is not labelled. We must ensure that the labelling of BGH happens or that there are restrictions on milk produced with BGH and sold in Canada. This will be particularly challenging because Canada and the U.S. have already successfully used the WTO forum to challenge European bans on hormones.

As well, we've often mentioned the environmental chapter. Yes, it's binding, but it doesn't even mention climate change. It doesn't do much on pollution, and it does nothing to prevent corporations from shifting to places where regulations are laxer. UNDRIP is not part of the agreement, nor is water protected.

We're here now to get a better agreement. To get a better agreement, trade must be done differently from the start. Citizens and parliamentarians must be let in. Having worked on trade agreements with NGOs in Europe and the U.S. for the last five years, I've noted that their processes are more debate-oriented and there's much more consultation. This has not occurred by accident, but by design. In Canada, the amount of participation is at the discretion of the federal cabinet. There's no requirement for anyone to be consulted until the implementing legislation, the point where we are now. The result is that these agreements are more tilted away from democratic oversight and into back rooms.

In both the U.S. and Europe, the negotiating objectives are published and debated by lawmakers. In the U.S., the negotiating objectives are in the trade promotion authority fast-track law itself. At several stages of the process, NGOs and stakeholders are mandated to participate, through the committee process or even their own negotiating round. Lawmakers are also involved in the negotiation process, and the negotiating texts are shared. In both the EU and the U.S., economic impact studies are conducted before the process is completed.

In Canada, there is no mandatory economic analysis; it is rarely done. As a result, in two of our agreements, with South Korea and—

The Chair: Thank you very much, Ms. Dey.

Sorry to cut you off, but you are running over your time limit. Thank you very much.

Ms. Sujata Dey: Okay.

● (1300)

The Chair: We'll go on to Mr. Dade.

Mr. Carlo Dade (Director, Centre for Trade and Investment Policy, Canada West Foundation): Good afternoon.

[*Translation*]

Madam Chair and committee members, before I start, I would like to thank you for inviting me to appear before you in order to present some viewpoints from the west. They are not just about NAFTA, because everyone is well aware of how important it is.

[*English*]

Instead, I'd like to talk about some of the things that need to be considered in our framework for understanding the agreement and in going ahead as the committee debates and, indeed, as the country looks on and debates participation in the new agreement.

The Canada West Foundation, as I'm sure the committee is well aware, was created 50 years ago to lend a voice to the western provinces, to facilitate the participation of the west and to facilitate the contributions of the west to the making of a strong Canada. A strong west is a strong Canada, and today, 50 years later, we realize that some of those debates have never gone away, and the Canada West Foundation remains engaged in them.

We are also one of the organizations most implicated on the trade file, given the importance of trade for the west. You will have seen our work on issues such as Bill C-69. Before it was a national issue, Canada West was there. You will have seen our work in forming the changes to the legislation.

On trade, we modelled the impact of the trans-Pacific partnership trade agreement on the Canadian economy before the federal government did. We continue this advance work. We are modelling the impact of the CPTPP on our trade infrastructure. Even though the government did this for CETA and has chosen not to do it for the CPTPP, the Canada West Foundation has stepped up to do this because of the importance of the agreement for the country, not just for the west.

On NAFTA, I have three points to consider quickly. These lead to my recommendations for action, about which I won't go into detail, because you have them in writing.

First is the rush toward normalcy in thinking about our relations with the Americans simply because we have an agreement. We have seen, time and time again, from the election of Donald Trump through his handling of diplomacy to his conduct of trade, a complete destruction and remaking of how the U.S. does foreign policy, diplomacy and trade policy.

Let me give you one example with this agreement itself. It's usually the process, with a trade agreement, to improve conditions of trade. Parties agree that there are things that can be done to improve conditions of trade, and they agree to meet, either starting from scratch or building on an agreement. We did this in North America. We updated the North American trade agreement to modernize it, to bring it into the 21st century, to take care of labour issues and intellectual property. We had a win-win situation, where all parties made concessions, and all parties were happy with the results. When Donald Trump came in, that was ripped up and we were told that win-win no longer works; what works is "I win, you lose." Starting from this point is unprecedented in trade negotiations. We had no choice, and the government did the best it could—I think the best that anyone could. Hats off to the government for the job it did under those very difficult circumstances.

That is just one indication of how upended the world in which we are now trying to function is on the trade front. We see the U.S. attacking the World Trade Organization. We can't proceed with our old ways of thinking, or our old frameworks, when looking at this agreement. Every witness you have has to tell how the agreement, and their interpretation, fits into this new reality.

Let me give you one example of something we are worried about. Yes, we have an agreement, and Brian is absolutely right: for those areas where the President does not pay attention, or pull the rug out from under us, or change the rules, the agreement will work. It is much better than not having an agreement. The modelling of the trade agreement done by others shows that the agreement is a net economic welfare loss for all three countries. The only thing worse is not having an agreement, which is an even greater economic and GDP welfare loss. I suggest you call in Dan Ciuriak, the modeller here in Ottawa. He does the modelling for Canada West. He used to work for Foreign Affairs. He can fill you in on the details of the modelling. That's a conversation I would strongly urge you to have, to get to the bottom of the modelling numbers and what they show.

Moving on to the statutory authority of the President, we have never seen a president exercise the four or five statutory provisions that the president has to manage trade. These are provisions delegated to the president from Congress.

● (1305)

We saw the steel and aluminum tariffs, Canadian steel and aluminum declared a national security threat. This is not the worst of what the President can do. There is more.

At the end of May, we woke up to see the following from the White House, and this is the White House statement:

As everyone knows, the United States of America has been invaded by hundreds of thousands of people coming through Mexico.... Mexico's passive cooperation...constitutes an emergency and extraordinary threat to the national security and economy of the United States.... To address the emergency...I am invoking the authorities...[in] the International Emergency Economic Powers Act. Accordingly, starting on June 10, 2019 [less than a week after this announcement was made], the United States will impose a 5 percent Tariff on all goods imported from Mexico.... If the crisis persists...the Tariffs will be raised to 10 percent on July 1 [basically three weeks or 21 days later].... Tariffs will be increased to 15 percent on August 1, 2019, to 20 percent on September 1, 2019, and to 25 percent on October 1, 2019.

This is the threat that hangs over us should the President decide to ignore the rules and use the statutory power he has. This is something that really needs to be taken into consideration. We need to realize that the signing of the agreement is not the end of our fight on trade with the Americans and trade in North America. It's not even the end of the first period.

This is going to be a long-term game. We are going to have to step up the extraordinary efforts we made to build alliances in the States to prevent this type of situation. We do not fight this in Ottawa with the ambassador. We fight this in Boise. We fight this in Springfield. We fight this in Sacramento. We fight this at the state level where premiers work with our counterparts as governors, and MLAs work with their counterparts at state legislatures. It's imperative that we not drop the ball and think of this as mission accomplished.

The second point, very quickly, is that there are parts of this agreement that I think we really don't understand. I would highlight article 32.10, the article dealing with negotiating with non-market countries. The provision itself isn't problematic. We announce when we are going to negotiate and we have to share as much text as we think is possible—these are not onerous or unusual provisions.

But what is a non-market country? What did we agree to when we agreed that we would give the Americans these powers with non-market countries? We think it's China, but the Americans have a list of 11 countries—10 plus China. Who else is on that list? Well, Vietnam was on that list, and we dodged a bullet by getting the TPP done with Vietnam before the Americans were able to use this for mischief. Again, I would urge the committee to look at article 32.10. Do we fully understand it? Can the government fully explain it?

Regarding cultural exemptions, we've granted the Americans the right to impose countervailing duties should we invoke our abilities under the cultural exemptions. Michael Geist just had a long piece on this. I would urge you to call Michael, Wesley Wark and others, to really go into that.

As for the points I raise in the recommendations, we have to help the provinces do their job in terms of defending our interests in the States. During the negotiations, the Clerk of the Privy Council and the Prime Minister asked the provinces to do more. They stepped up.

The government gave money to ACOA to help the Atlantic provinces do more vis-à-vis the States. We haven't gotten the same in the west, and the west could really use the support. In a time of financial constraints, in a time of budget cuts, we are being asked to do more, and we don't have the resources, so we really could use the feds to step up.

There are also possibilities to engage the Americans on a bilateral basis for things that we couldn't do with the Mexicans at the table. The greatest failure of this agreement was not to advance provisions for moving business people. We can engage the Americans bilaterally, especially at the state-provincial, the regional level.

In terms of an infrastructure bank, the infrastructure idea is one where the Americans really need help. We can step forward and offer them help, and in so doing create a permanent institution with the Americans to avoid the vicissitudes of political changes and the changing political climate, and have a permanent institution focused on the North American border.

I will leave it there for questions.

Thank you very much.

• (1310)

The Chair: Thank you very much, Mr. Dade.

Thank you to all our witnesses.

We will go on to Mr. Lewis.

Mr. Chris Lewis (Essex, CPC): Thank you, Madam Chair.

Thank you to the witnesses for coming today.

Let me just start by saying that, as far as we're concerned, rest assured that we are the free trade party, and we certainly do not plan on holding anything up. We want to get this and see it through to the end, and we're certainly excited to do that.

I think it's also important to understand that we need to do our due diligence, and my questions for you today are going to be a little bit different from what I've been hearing around the table. It's regarding implementation and what you specifically heard from the government, because, to some extent, we don't get all the information that we need. Specifically, it's about the implementation and how the CBSA is connected to that. Have you spoken to other companies that do a lot of cross-border trade? That's kind of where I'm going with this.

I'll start off by letting you know that my riding of Essex is literally a neighbour to the border at the busiest international trade crossing in North America, so I'm very much up to speed on that front, and I also spent 25 years with a company that did international trade. I used to type in all the wonderful little tariff numbers, so I'm quite up to speed on this file in that regard.

As a little bit of background, for those who don't know, the CBSA is the agency that oversees the secure entry and export of goods to and from Canada. The CBSA will be the agency that implements much of the CUSMA agreement as goods pass through the 1,200 points of entry and exit across Canada, and the terms of CUSMA are set to come into force on the first day of the third month following the last notification of ratification between the parties.

I have just a couple of quick questions and then I'd love to hear any thoughts you have on that.

I'm hearing from industry that they're concerned about the implementation, particularly about the 90-day transition period. Given that the CBSA is the agency that will implement much of the CUS-

MA agreement, and given that in the mandate letter for the Minister of Public Safety and Emergency Preparedness there is no statement on the implementation of CUSMA specifically—there are five points on gun control but nothing on the implementation of CUSMA—do you have any concerns that the CBSA is not going to be ready for the first day of the third month? Have you heard any concerns about whether they're going to be ready to meet that?

Mr. Brian Kingston: One of the most complicated elements of this agreement is the rules of origin, particularly in the auto sector. There are much more stringent rules, but you also have a labour value content threshold that companies will now have to track throughout their supply chain.

This is hugely complicated and has direct implications for CBSA. I'm aware that discussions are under way with the auto sector and auto parts suppliers to do what is called the uniform regulations, which will help make this thing implementable, but given how complicated things are and how big an agreement this is, the timeline is tight, so I would share the concern.

There has to be a lot of work done between now and whatever ends up being day one of this thing being enforced. As with any trade deal, it's one thing to ratify it, but if you can't get it right on implementation day, you can create backlogs at the border, which we want to avoid.

I'm aware from our members that they're engaging and working with the government, and that work is under way.

Mr. Chris Lewis: Thank you.

Have you heard anything from the government with regard to any budget numbers for educating our businesses with regard to the new NAFTA numbers and those types of things?

Mr. Brian Kingston: I'm not aware of anything.

Mr. Chris Lewis: I don't know if that was a question that other people were asking. Would it be fair to say that you believe that Canadian businesses don't have a whole lot to be concerned about regarding the border crossing and/or the work of the CBSA starting on day one of this agreement being ratified?

Mr. Brian Kingston: I would say that, for most businesses, I'm not concerned. I think the auto sector is a group where that work needs to be done, and I'm not the best person to speak to it, but there's a lot to get done to make sure it's enforced correctly.

Mr. Chris Lewis: Okay, so here's a statement I'll make, then. I understand that there are going to be a lot of tariffs coming in and out. There are going to be a lot of things to learn. I'm not so sure that the CBSA officers themselves are ready to implement this.

I'm kind of looking at it twofold. Number one, is the CBSA ready? Is it going to have all the tools that it has at its disposal to make sure...? We can have the best trade agreement in the world, but if it takes months and months and months to implement, our economy is going to come to very much a grinding halt, and it's vital that we get this right way out front so that we're not stopping free trade going back and forth.

So my two big concerns are these. Number one, on the CBSA side, do they have the tools and the training to make sure that they're ready to go on their front? Then we need to ensure that our Canadian businesses and manufacturers, the ones who literally feed our families, aren't interrupted along the way.

I will ask one more time: Have those tough questions been asked of our businesses and/or the government from your perspectives?

• (1315)

Mr. Carlo Dade: Out west, obviously, we don't have the issue of all those. On the agricultural front, where I do have a great deal more familiarity with the line items, we haven't seen that many changes. Remember that under the original NAFTA most line items were knocked down to zero on the tariff front. Canada and Mexico already had very low tariffs to begin with.

Where we have seen changes on the agricultural front are things like grain grading, where we've agreed to accept American-grown varieties that are recognized in Canada. The Americans only grow three or four varieties that are recognized up here, so that's not going to impose a big hit on agriculture.

Running through the HS codes on agriculture, I can't recall any major cuts. There have been a couple of cuts in agriculture, but you look at the list of what goes back and forth, and it's not a lot. I think we should be okay on agriculture.

Mr. Chris Lewis: Sorry, Madam Chair, am I out of time?

The Chair: You are, but you were on such a great line of questioning, I was allowing you to continue.

Mr. Chris Lewis: Thank you.

The Chair: Thank you very much.

Ms. Bendayan, the floor is yours.

Ms. Rachel Bendayan: Thank you very much, Madam Chair.

Allow me to thank Mr. Kingston, Ms. Dey, as well as Mr. Dade for their testimony and for their written recommendations.

Madam Chair, I'm in your hands, but it is 1:17, and I believe several motions and business matters are on the table.

Mr. Randy Hoback: Take your five minutes and do your questions. If you want to extend it later, we're happy with that, depending on whether the room is available.

Ms. Rachel Bendayan: I don't know if the room is available. I propose that we discuss the motions on the floor.

The Chair: Rather than wait until later this evening, you are suggesting that you would like to deal with your motion and Mr. Carrie's motion.

Ms. Rachel Bendayan: I do, and I would be happy to start with my motion.

Mr. Randy Hoback: That's fine.

The Chair: I don't think you need to reread it. It's already on the record, and I believe everybody has both of them.

Mr. Hoback.

Mr. Randy Hoback: Let's go in the order of precedence and deal with the motions. We have Mr. Carrie's motion, then we have

the motion from Mr. Kram, and then the Liberal motion. If we can handle it in that order, that would be appreciated.

Ms. Rachel Bendayan: Madam Chair, I had the floor and I proposed that we start with my motion.

The Chair: Is there support to start with Ms. Bendayan's first?

Mr. Randy Hoback: No. We have a process we have to follow. It's not optional.

The Chair: She's asking that we forgo that process and vote on her motion first.

What is the will of the committee? Do they want to go with Mr. Carrie's first, or will they go with Ms. Bendayan's first?

All those in favour of going with Ms. Bendayan's first, please raise your hands.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Just a moment, please. Things are happening very quickly. I am not sure what we are voting on, because the interpreters have had no time to catch up.

Can we take the time they need, please? What are we talking about?

[*English*]

Mr. Randy Hoback: Madam Chair, I have a point of order.

You might refer to the clerk and the actual process you have to follow. You don't have a choice in this. It's not as if you can have a vote in the committee. I believe you have the motion sitting in front of you, and you have to approach it in that order to move forward.

The Chair: I think the struggle was the process we have to use. If the member pushes it to a vote and has the votes required, then we would go in that particular direction.

Mr. Randy Hoback: But then you're changing the Standing Orders.

The Chair: The fact is that Ms. Bendayan moved the motion again and has asked that we vote on it, and I have asked the committee which one you would rather do. Ms. Bendayan has asked, and the committee has agreed.

If the committee wants to agree to it, and they did, then we would move forward on Ms. Bendayan's motion. It's the vote of the committee. The committee has voted to go to Ms. Bendayan first.

• (1320)

Mr. Randy Hoback: Again, I think we rush to vote without knowing the actual process that was supposed to be there. There is a process you have to follow. It's not a vote. It's a process that's sitting there in the Standing Orders on how you go through it.

The Clerk of the Committee (Ms. Christine Lafrance): Can I clarify?

Mr. Randy Hoback: Yes, please.

The Clerk: The clerk doesn't decide anything, first of all. There are no rules for that except that there was an agreement at the last meeting that Mr. Carrie's motion would be taken at the second hour of this meeting.

Mr. Randy Hoback: That doesn't say first or second.

The Clerk: It was a motion adopted by the committee.

The Chair: We agreed that we would hold it down and do it first, at the beginning of the second hour.

Mr. Randy Hoback: So we should deal with Mr. Carrie's motion first.

You already have the motion in front of you.

The Chair: It's properly before....

Mr. Sheehan.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): The Standing Orders don't address this particular situation.

Rachel has the floor right now. She, at her pleasure, as a parliamentarian with parliamentary privilege, is allowed to introduce her motion. If that motion is defeated, then automatically Mr. Carrie's motion would be addressed. If it's adopted, Mr. Carrie's motion would be moot, but we still could vote on it.

I would suggest that we continue on the way we're going, with Rachel having the floor.

The Chair: I think I need to take a minute. This looks like it's going to take some time, so I just want to thank our witnesses very much.

Mr. Randy Hoback: I want to make a friendly amendment to Mr. Carrie's motion. I think it's a really good compromise. If we did that, that might mean that you don't even require your motion. If we want to deal with Mr. Carrie's motion, if you don't like it you can vote it down and we can deal with your motion.

I'd like to do a friendly amendment. Then once you see that, maybe you'd be okay. Maybe you would, maybe not—I don't know—but at least then you could deal with it.

Ms. Rachel Bendayan: Madam Chair, can I make a suggestion that we suspend? That way you could thank our witnesses, and perhaps my colleagues and I can step outside to speak for a moment.

The Chair: Mr. Blaikie.

Mr. Daniel Blaikie: Before we dismiss our witnesses—and I do apologize, as I had to step out because I had to speak in the House—have we completed the first round of questions for our witnesses?

The Chair: No, we haven't.

Mr. Daniel Blaikie: I think it would be unfortunate.... I don't know if my Bloc colleague has had an opportunity to ask these witnesses any questions either. I think it would be unfortunate if we were in a position where we weren't able to ask any questions of the witnesses at all.

I just want to put that out there. I recognize that the witnesses only have so much time, and I'm grateful for their patience. I don't know if we're going to be able to dispense with these motions quickly, but if we can, it would be very nice to be able to ask them some questions.

The Chair: Ms. Bendayan, can I suggest to the committee that we allow Mr. Savard-Tremblay his five minutes of questioning, and Mr. Blaikie, and then we will go back to trying to solve this challenge that we have?

Would that be all right?

Mr. Randy Hoback: If we have to stay longer, I'm willing to stay longer to get this solved.

The Chair: Mr. Savard-Tremblay, it's your six minutes.

Ms. Rachel Bendayan: So I've just ceded my time.

The Chair: You were very generous there in trying to resolve this.

Mr. Randy Hoback: I'm okay with you taking your time. It's just a matter of process in learning how we work together. If you want to take your five minutes and then proceed on to the other ones, I'm happy with that.

Ms. Rachel Bendayan: That's fine.

Madam Chair, we only have six minutes left. I feel that my colleagues opposite, Mr. Blaikie and perhaps Mr. Savard-Tremblay, have questions, so I'm happy to cede my time to my colleagues.

The Chair: We are scheduled to meet until 1:45.

Okay, Mr. Savard-Tremblay.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: First of all, my thanks to the three witnesses.

My question goes to Ms. Dey, who can see and hear us. Your presentation was very enlightening. Earlier, I told Minister Freeland that we are going to have to study the two agreements, the current NAFTA and the NAFTA that might replace it, to determine which is better. We are going to do that work and do a study on the matter.

In general, you showed us that we need to consider much higher standards. The times are not the same. You said that, previously, the agreements contained no environmental standards for climate matters. There are few mechanisms that allow those cases to be decided, except the classic dispute settlement mechanism, which has never been terribly effective either.

Could you tell me more about good regulatory practices and about chapter 28 of the agreement. You see it as an attack on Canada's sovereignty. There was a similar chapter in the agreement with Europe. Today, Canada is in the process of doing the same thing to Europe. Are you really afraid that the agreement may be a genuine threat to sovereignty? Is that what you are saying?

• (1325)

Ms. Sujata Dey: Yes. I believe that, fortunately, reforming the investor-state dispute settlement, or ISDS, system will ensure that corporations have little opportunity to weaken state policies and regulations. However, in the wake of the agreement, committees have been established. Their members discuss regulations in various countries amongst themselves. These discussions take place outside of Parliament and all public consultation platforms. This creates a somewhat secretive space where corporations and regulators can weaken standards. A lot of people say that standards could be tightened as well, but in reality, those kinds of discussions behind closed doors do not allow that to happen. These committees claim that they want to eliminate red tape, but they really want to get rid of the regulations that protect us.

It is worth noting that, in this agreement, regulators should be advocates for policy. Every time there is a new policy, a whole process is set in motion. They should consult and engage people from various industries before they create a new regulation. There are also all kinds of barriers: a lot of studies have to be done and they have to prove that regulations are based on the latest science. We cannot simply implement a measure; we have to make sure that it will not cause any harm. You have to ensure that key values are maintained. We really need to operate on scientific principles, not just the precautionary principle.

Another issue is that there is a challenge mechanism that allows a state to use the dispute settlement system when it is not satisfied with what is happening on a regulatory committee set up by corporations. The mechanism adopted in CETA is much less stringent than the one set out in the new agreement, CUSMA. The Government of Canada lobbied a great deal to make sure that Europe lowered its standards for glyphosate and pesticides. These agreements and the WTO are truly putting constraints on the precautionary principle in Europe.

Here's our concern. We have social protections. Through parliamentarians and the public, we can define our standards and regulations. But now there's another process, a secret process, that allows a lot of corporations to weaken what we have put in place.

Mr. Simon-Pierre Savard-Tremblay: How much time do I have left? Good grief, only 30 seconds?

Is there no fairness factor behind this? The aim is to harmonize so that everyone is subject to the same rules and standards. Instead, you seem to clearly see this as a way to limit the ability to act politically. Is that correct?

Ms. Sujata Dey: Yes. We talk about having international standards that are the same for everyone. But the decision makers, those who determine these standards, do not come from civil society. They are neither us nor parliamentarians. These are people who work on rather technical aspects. In a way, what is in the treaties is above the Constitution. If it is a process where a real effort is made to protect our regulations, where people from civil society are involved and where we can resolve all kinds of issues, that's one thing.

• (1330)

[English]

The Chair: I'm sorry to interrupt, Ms. Dey.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you.

Thank you very much for making arrangements to be in touch remotely. I know you are out of the country right now, and we appreciate your being here.

I want to pick up on one of the themes of your opening remarks, which is the process by which Canada comes to conclude trade deals. Oftentimes Parliament really only gets involved in a substantial way once a deal is already signed, which precludes the possibility of impacting the outcome. In some cases negotiations can go on for some time without Canadians necessarily being aware that they are.

I wonder if you could speak to some of the elements that could be brought in to have a proper trade process here in Canada that involves civil society and Parliament earlier on and ensures we have the kind of public and open debate that we ought to have when we're considering deals of this magnitude.

Ms. Sujata Dey: Thank you for that question.

It's very important, not just for people who believe in the values of the Council of Canadians, but this is a process that makes our trade agreements better. We can all agree that the more people are involved, and the more democratic and transparent our process is, the better our agreements will be.

Within the U.S. process, we saw a process where Congress was very involved from the very beginning, from the negotiating mandate, to being consulted during the negotiation process, having the negotiating texts, having economic studies on time and having hearings with civil society and other participants. That resulted in a much richer debate, not just during this NAFTA process, but even during the TPP process.

This is a common-sense approach on how we can do better, and this approach is not just in the United States; it's within Europe. When we started CETA, they had done economic impact studies right from the beginning. They had planned a negotiating round with civil society. They had gone in and had several points where the EU Parliament and the EU council were involved with the agreement. There were times when the negotiating texts were made public.

I think those processes would make Canada have a much more balanced and better process, because then we would be able to actually evaluate it: How is this agreement actually helping us? Are our exports going lower as a result of this trade agreement? Is it actually benefiting us? I think those questions would give us a lot more rigour and a lot more democracy in how we approach trade and would make all Canadians feel more a part of the trade process.

Mr. Daniel Blaikie: Canada had provisions that to some extent mirrored U.S. provisions, where the executive gives Congress 90 days' notice that they're intending to bargain. Their negotiating objectives are tabled prior to beginning those negotiations, so they're public and Parliament is able to study them, and by extension civil society as well. Also, having a policy that ensures that we're not in the situation we find ourselves in now, where we have the ratification legislation but no economic impact analysis to support that document, and the study of that document, would be a meaningful step towards a better trade process here in Canada.

Is that a fair conclusion coming out of your remarks?

Ms. Sujata Dey: I think that's a very good way of summing up what we believe should be the next step going forward and how we make the next deal better.

Mr. Daniel Blaikie: Thank you very much.

The Chair: Thank you very much, Mr. Blaikie.

To our witnesses, sorry for the interruption. Thank you all very much for your time and your contribution to making this the best agreement that it possibly can be.

We will suspend for a moment to excuse the witnesses.

• (1330) _____ (Pause) _____

• (1335)

The Chair: We'll call the meeting back to order.

Ms. Bendayan has the floor, because she hadn't finished speaking when we interrupted her to have Mr. Tremblay and Mr. Blaikie have their time with the witnesses.

Mr. Randy Hoback: Can I have my motion? It doesn't change who has the floor. You have a process you have to follow.

Mr. Sukh Dhaliwal: We'll give you time.

The Chair: We'll get a few things cleared up.

Mr. Randy Hoback: I trust Sukh. He's usually honest.

The Chair: Yes, and that's very important.

Ms. Bendayan, you have floor.

Ms. Rachel Bendayan: Madam Chair, I move the motion that I read into the record earlier this morning and—

Mr. Randy Hoback: A point of order, Chair.

You can't move it until Mr. Carrie's motion is dealt with first. They're conflicting motions. They're dealing with the same issue at the same time, so—

Ms. Rachel Bendayan: I will leave it to Madam Chair and the clerk to decide that.

The Chair: My understanding is that, per procedure, we had Mr. Carrie's motion on the floor, and we agreed the other day that we would deal with it as the first point of business in our second hour.

Ms. Rachel Bendayan: If that is your ruling, Madam Chair, that's fine.

The Chair: Hold on.

That's exactly what the procedure was. The only way it can be different would be if the committee voted to change that and to proceed with your motion. The committee would then have to take a vote to do that.

Mr. Randy Hoback: But then you have to have a motion from the committee to change it.

An hon. member: A point of order.

The Chair: Why don't we just deal with Mr. Carrie's motion?

Mr. Sukh Dhaliwal: Madam Chair, on a point of order, I want to thank you for telling us the process, and the Conservatives, the NDP and the Bloc Québécois for their patience as well. Even though Rachel has the motion on the floor, so does Colin Carrie. Let's deal with his motion first. If that is not successful, then we'll deal with Rachel's motion. How is that?

The Chair: Are you comfortable with that?

Ms. Rachel Bendayan: As I said before, yes.

The Chair: All right.

Mr. Carrie, we have your motion on the floor.

Mr. Hoback.

Mr. Randy Hoback: I'd like to make a friendly amendment to the motion. In light of talking to the minister and different people over the last week and a half, we'd like to do a couple of things.

The first thing is that we'd like to change the number of committees that was in the original motion to three, so basically it would be the Standing Committee on Agriculture and Agri-Food, the Standing Committee on Industry, Science and Technology, and the Standing Committee on Natural Resources, which I think is very similar to the Liberal motion.

We'd like to change the date from April 2 to March 12. That gives those committees enough time to bring witnesses forward and deal with the issue and then get it back to us so that we can deal with it. The reason we say March 12 is that the week before that is a break week, so they may or may not be sitting. And I want to highlight the fact that it would be no later than March 12. If they can get it done before then, we can come back and deal with it before that.

I want to remind the Liberal members of caucus that they chair all those committees, so the chair of that committee can actually... If they want to hold more meetings faster and during the break week or on weekends, which we'd entertain and work with them on, that would be their prerogative, too. As I was saying, it would be no later than March 12. That would allow us to get the bill through clause-by-clause that week and hopefully back to the House, assuming everything flows the way it should. That would be my amendment.

The Chair: Does everyone understand the amendment to Mr. Carrie's motion?

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

That's the amendment. Now we have to vote on the motion itself.

Mr. Carrie.

Mr. Colin Carrie: Madam Chair, I would like to speak to my motion.

When I brought this forward, it was in good faith, because in the past we've taken this process forward for bills of extreme importance. We had no idea at that time how many witnesses we were going to have. In order to give the witnesses who were concerned about this bill an ability to tell parliamentarians how it's going to affect them, I did make these recommendations.

I was extremely upset this morning when I read an article from CBC in regard to my motion. It was a matter of poor faith. I'm going to quote it because the Prime Minister quoted my motion. The reporter wrote, "A contentious motion Justin Trudeau characterized as a 'near miss' will come to a vote". Trudeau said, "There are certain messages that could be passed to some parties that might be playing some challenging games around delaying NAFTA".

First, I want to tell my Liberal colleagues how upsetting that is to read, when I was not even given the courtesy of being in the story. Second, the Liberals brought forward a very similar motion today. I want to read this into the record because it says how the Liberals were surprised. This comes from the House on February 6, when John Nater, one of our MPs, asked:

Mr. Speaker, when Bill C-4, an act to implement the agreement between Canada, the United States of America and the United Mexican States, is referred to committee, could the government commit to supporting a proposal at committee to have other committees, in addition to the trade committee, study the provisions of Bill C-4 and the impacts within their respective mandates in the same manner that budget bills have been considered at committee in recent years?

Now this is what the Liberal House leader said in the House, on record. Pablo Rodriguez said:

Mr. Speaker, the government is supportive of adopting the process that has been used in the past for budget implementation legislation. Under this process, the chair of the Standing Committee on International Trade would write to the other committees and invite them to do a subject matter review of the relevant provisions of the legislation, as long as the motion contains a fixed date and time for the start and end of clause-by-clause consideration of the bill.

That's basically what I was trying to achieve. The Prime Minister was aware of what the House leader said. I'm just curious, and maybe the parliamentary secretary can comment on this. Was the House leader trying to play politics here, or was the Prime Minister trying to play politics with this, because that certainly wasn't the intention from this side of the House?

• (1340)

The Chair: Mr. Dhaliwal.

Mr. Sukh Dhaliwal: I don't think anyone is playing politics on either side. It shouldn't be about politics. This is about Canadians. This is about Canadian businesses. This is about Canadian workers. Our intent on this side is to make sure that we have a deal in place solidly done so that we have the accountability, credibility and stability that we know people expect from the government.

The only difference I see between the Conservative and the Liberal motions right now is basically the date: One is March 12, and the other one is February 25. If there is a way, we can have longer meetings to convince my Conservative colleagues that we can live

with the motion presented by Rachel. The intent is the same; as Mr. Hoback said, it is only the timeline. If we can meet the end of February deadline and have longer meetings and work longer hours, if they would be able to support that, I would really appreciate that.

We worked in the last Parliament. There was no difference, whether it was the NDP, the Conservatives or us. We worked together as team Canada, whether here or outside, and that's the way I would like to see us work on this particular matter, because this concerns every Canadian and we want to get it done.

The Chair: Mr. Carrie, I think the end date is four days' difference, between February 28 in Ms. Bendayan's motion versus the amendment that Mr. Hoback proposed, which was March 12. We're away for constituency week. Mr. Dhaliwal is requesting that we continue to try to work these things together.

I'm going to say that as the chair, if I had read that I would have been upset. I apologize. Things happen, people say things that sometimes can cause another person to get upset. I hope that doesn't happen very often.

Mr. Colin Carrie: Madam Chair, if I could comment.... This was an article today that said, "A contentious motion that Justin Trudeau characterized as a 'near miss'". Trudeau said, "There are certain messages that could be passed...that might be playing some challenging games".

With regard to my motion, which the Liberal House leader—

The Chair: You've made your point.

Mr. Colin Carrie: —February 6, said it was quite appropriate to do. Madam Chair, I'm just asking the parliamentary secretary, maybe she could....if we're dealing in good faith. I know we want to pass this. We want to give families, businesses and sectors that are going to be negatively impacted an idea of how this is going to roll out and what support packages we can provide for them. If we're going to be dealing in good faith, take a message back to the Prime Minister and let him know that we're prepared to do a good-faith deal, but he needs to stop playing these challenging games, because, on the record as I've read it in, it's not us doing this; it was him.

• (1345)

The Chair: Thank you very much for your comments.

We have Mr. Carrie's motion on the floor.

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

We now have Mr. Kram's motion. Does everyone have the motion?

Ms. Rachel Bendayan: I'm sorry, but I don't have a copy.

The Chair: The individual has been invited by the clerk to come before the committee. We're certainly very hopeful that the individual will be appearing before committee.

Do you want to vote on the motion? We have it in both official languages. It's duly before us.

(Motion agreed to)

We'll move to Ms. Bendayan's motion.

Mr. Randy Hoback: May I make a friendly amendment and we can consider it?

I'm just looking at the timetable. I agree with you on the number of committees, writing a letter—that's all fine. I still think those other committees need just a little more time. Could we change Tuesday, February 25, to Tuesday, March 3, just another week during the break week, and then let the committee deal with it by March 5?

The reason I say that is that we can come back on the break week. I have no issues with coming back on the break week to deal with this. It gives all the committees a fair chance to hear witnesses and.... It's a compromise. We've gone from April 2 now to March 3, so we're doing everything we can, but in the same breath we do have to listen to them.

The point I'll make to my colleagues across the floor is that the Prime Minister hasn't even reached out to our leader to say this is urgent. I know the Deputy Prime Minister has been very active and working very hard. I give her credit for doing all the work she has done in the background on this, but you're pushing something through very fast. Historically this is faster than we've ever done it before. In fact, if you look at just this coming to committee, historically it takes 16 days and we did it in six. We're going to do this in basically nine sitting days under your motion. All I'm asking for is that weekend and another seven days.

It would allow those committees that haven't been struck yet to actually be struck and organized, to hear witnesses and then do a proper report back to us. Like I said, they can do extended sittings. We're ready to sit on extended sittings. If they can come back sooner, then they come back sooner, but let's give them enough time to do the work so that nobody can come back to this committee or to the government and say we didn't do our due diligence on this piece of legislation.

The Chair: Here is a suggestion as we move forward. When we were dealing with Bill C-100 in the previous Parliament—on this particular legislation—there were 15 witnesses from 12 different groups. There has been a fair amount of consultation prior to its coming before us. In fact, it's my understanding that CETA and so on moved through much faster, just in the essence of time here.

If we are going to have extended hours next week in addition to this week, we should be able to accommodate most of the witnesses. The letter—in anticipation of that comment that Mr. Carrie mentioned—is ready to go. The clerk has it. I just have to sign it with the approval of the committee.

The letter will go out to standing committees very quickly. As you know, most of them are fully aware of the process and so on, and I think they can probably meet the date, the February 21 date. They know this is coming as well.

Mr. Randy Hoback: The Liberal members may know it's coming, but nobody else outside the Liberal Party knows it's coming.

• (1350)

The Chair: I think it's general conversation among all of us on the Hill.

Right now I have a proposed amendment from Mr. Hoback. All those in favour....

Sorry, go ahead.

The Clerk: Could you specify which paragraph you're changing today, because I think we have a—

Mr. Randy Hoback: Yes. February 25 will change to March 3.

The Clerk: Is that part (ii)?

Mr. Randy Hoback: Yes. Then, going to paragraph (d), it would be March 5.

The Clerk: Then would clause-by-clause take place on February 28 in (e)?

Mr. Randy Hoback: No, it would be March 5. We're using the same window to deal with it.

The Clerk: So both (d) and (e) would be March 5.

Mr. Randy Hoback: Yes, and then I'm committing that we would come back during the break week to deal with it.

The Chair: I'm really glad that you're committing to coming back. We'd all be very happy to be here too, if that was what was to work out.

Is everyone clear on the suggestions that Mr. Hoback is making?

All those in favour of the amendment, please raise your hands.

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

(Motion agreed to)

We will now adjourn until 3:30.

I do hope that our future meetings will be smoother as we get to know each other and spend a little more time working with each other. We will see each other at 3:30.

Thank you all very much.

The meeting is adjourned.

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