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Chair: Judy A. Sgro



Standing Committee on International Trade

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• (1535)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call this meeting to order. This is meeting number 14 of the Standing Committee on International Trade.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, 2025, the committee is commencing its study of Canadian supply chains, forced labour and related imports.

We have with us today, from the Canadian Centre for Policy Alternatives, Stuart Trew, senior researcher. From the Canadian Labour Congress, we have Elizabeth Kwan, senior researcher. From the Canadian Network on Corporate Accountability, we have Aidan Gilchrist-Blackwood, network coordinator.

[Translation]

Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot—Acton, BQ): Madam Chair, the interpreter says there's an issue with the sound.

[English]

The Chair: We will wait a minute until we get this corrected.

[Translation]

Simon-Pierre Savard-Tremblay: Maybe you could switch microphones with one of the analysts, since they don't speak very often during meetings.

[English]

The Chair: Resuming the meeting, from the Canada Tibet Committee, we have Sherap Therchin, executive director.

Welcome to you all. I'm sorry for the delay.

We will start with opening remarks and then proceed with a round of questions. You have up to five minutes each.

Mr. Trew, I invite you to do your presentation for five minutes, please.

Stuart Trew (Senior Researcher, Canadian Centre for Policy Alternatives): Thanks very much to the chair and to the committee.

It's a pleasure to be back here with you.

I'll say a few words about the Canadian Centre for Policy Alternatives. We're a forward-looking research institute dedicated to the pursuit and defence of social, economic and environmental justice. We advocate for policies that protect workers from corporate and

state exploitation, that hold companies accountable for their human rights, environmental and other international legal obligations, and that bring down the cost of living by increasing the labour share of national income and by expanding free and affordable public services.

The CCPA, therefore, strongly supports measures to eliminate forced and child labour, and the still too pervasive basic labour rights violations, as well, from domestic and international supply chains.

We were pleased to see the Bloc Québécois introduce Bill C-251, amending the Customs Act and Customs Tariff in such a way that Canada may more vigorously uphold its legal obligations to block imports of goods from anywhere in the world—including North America, we hope—that are made in whole or in part using forced or child labour.

This is a vital piece of legislation required before the Canada Border Services Agency workers can begin to effectively screen and detain imports from entities, including countries, regions or companies, on a future forced labour list. Quite simply, we need this or similar legislation to pass in order to meet our domestic legal obligations and our CUSMA obligations to our trading partners to stop forced labour goods entering the North American market.

The fine details of the system would need to be hashed out in regulations to make sure CBSA officers have a clear idea of what goods to detain and when to detain them, but we can't get to that point without legislation allowing for that kind of guidance. We strongly encourage this committee to push the government to pass Bill C-251 or something similar as soon as possible.

I will make a few small points on other elements of forced labour in Canadian supply chains.

I think that, while it's good to see attention on the problem of forced labour, it is not the only or the most pervasive type of human rights violation in Canadian supply chains or Canadian imports. Companies should have a duty to prevent violations of internationally protected human rights, including the right to organize, health and safety obligations, gender discrimination, environmental standards and so on. This must be an enforceable legal obligation on firms within a comprehensive corporate due diligence regime.

The second point I'll make is that we need to address forced labour in North America as well, right here in our backyard and in our country. We've seen a report out recently from the University of Toronto human rights program talking about how much we bring into this country that was produced using prison labour in the United States, even though this has been illegal in Canada for over a hundred years. There's prison labour in the auto sector, food, meat processing, fast-food chains and so on. Much of this is involuntary in prisons and poorly paid.

We have examples of large companies that operate in the U.S. and Canada. For example, Bumble Bee, a seafood company that is linked with Clover Leaf here in Canada, both of which are owned by FCF, is using forced labour on their fleets bringing in tuna—Indonesian forced labour on their boats—and those products are ending up on North American shelves. We have union busting at the Mercedes plant in Alabama, for example, that's going through the courts right now. There was a complaint from the union there in the United States.

These are other things that we should be thinking about enforcing somehow, either through trade regimes or through bans on forced labour and other types of human rights violations in our supply chains. Also, of course, there is contemporary slavery in Canada's temporary foreign worker program.

The third point I'll make, the final point, is that we need to coordinate on import screening with Mexico and the United States. There's an opportunity to do this in the labour chapter of the CUSMA during the upcoming review of the agreement next year.

As Above Ground points out in its submission to the Canadian government's consultation on the CUSMA review:

This crisis [of forced labour in global supply chains] cannot be solved by one nation acting alone. Canada, the U.S., and Mexico—linked by deep trade flows under CUSMA—have an opportunity to improve their response to this crisis by better coordinating action to block goods made with forced labour from entering their marketplace at any of its access points.

Canada is obligated to do this by CUSMA article 23.6, but as this committee has heard many times in past studies, the enforcement of this obligation is highly uneven between Canada, the U.S. and Mexico. Since 2021, Canadian border agents have reportedly intercepted only 50 shipments of goods on suspicion that they were produced using forced labour, and only one single shipment was denied entry into Canada. While U.S. customs and border officials have stopped more than 7,000 shipments this year alone, only four new withhold release orders were issued, and enforcement of the forced labour measures has become inconsistent and politicized. The goal should be to prevent forced labour, not punish countries that you don't like. Also, Mexico's enforcement of the ban has been even worse than Canada's.

• (1540)

On top of passing Bill C-251 and getting on with the regulations to make it work, the CCPA further agrees with Above Ground that the current review of the CUSMA labour chapter and broader trade deal next year is an opportunity. As I was saying, it could include things like a shared definition of forced labour aligned with ILO convention 29, on the private use of forced labour, and convention 105, on the state use of forced labour. You could include intergovernmental information sharing about corporate supply chains and forced labour investigations. You could include mutual recognition of enforcement actions to stop transshipment of goods coming in from one country versus the other, and more transparency with respect to investigations and enforcement. You could also have more co-operation with labour unions, affected workers and civil society groups, similar to procedures for submitting evidence of forced labour violations by importers and producers.

In conclusion, I'd say that for too long, trade policy and international trade and investment agreements have provided strong, enforceable rights to multinational corporations but minimal guidance on adequate protections for the environment, workers and human rights. If, as the Prime Minister likes to say, this old model of free trade is dead, it is our obligation to build better, more sustainable trading and investment relationships that prioritize and enforce high standards of protection for workers and the environment.

Thanks very much.

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

Ms. Kwan, you have up to five minutes, please.

Elizabeth Kwan (Senior Researcher, Canadian Labour Congress): Thank you, Chair, and good afternoon, committee members.

It's an honour to be with you today.

I want to start with a little bit about the Canadian Labour Congress. The CLC represents over three million workers across Canada, including hundreds of thousands of workers in the public and private sectors engaged in trade activities. Canadian unions fight every day against labour exploitation, including forced labour, which is abhorrent. We have repeatedly called for the eradication of forced labour from Canadian supply chains and ensuring that Canadian businesses operating abroad and at home do not contribute to labour and human rights abuses.

Chair, I'd like to present the CLC's recommendations on this matter.

First, we ask the government to immediately introduce legislation to strengthen Canada's ban on imports of goods produced with forced labour. That includes increasing Canadian importers' obligations to address forced labour in their supply chains.

Second, the CLC supports robust oversight of Canada's new import ban regime to ensure effective compliance by importers with strong transparency and accountability measures.

We also call on the government to introduce legislation to create a new mandatory supply chain due diligence regime that would require governments and businesses to identify forced labour risks and take actions to eradicate these risks.

Lastly, we ask the government to ensure the meaningful and active engagement of the Canadian Labour Congress in the government's development and implementation of these measures.

Chair, I'd like to elaborate on some of the reasons for our recommendations.

Forced labour remains a pervasive issue in global supply chains. It is a critical issue that affects workers globally and has direct implications for Canadian labour standards, trade policy and ethical business practices. The ILO estimates that over 28 million people are trapped in forced labour globally. Forced labour violates core labour rights in the ILO Declaration on Fundamental Principles and Rights at Work. Workers in forced labour have few to no labour rights or social protections. They are abused and exploited and often face coercion and violence. Such gross exploitation of workers and their labour undermines fair wages, working conditions and equal opportunities and treatment at work.

As Mr. Trew said, many of these tainted goods end up in Canada. That is why forced labour in supply chains is an unfair trade practice and must be stamped out. All trade agreements should have strong, enforceable and comprehensive labour chapters that include the elimination of forced labour. An effective ban on forced labour imports would level the playing field for more equitable and competitive trade while leveraging strong labour provisions for all workers covered by a trade agreement.

The import of goods produced with forced labour is an important issue for Canada's relations with trade partners, especially the United States. The current CUSMA import ban, implemented under Canada's Customs Tariff act, has proven to be weak and ineffective. Since 2020, when CUSMA came into force, Canada has denied one shipment of goods made with forced labour entering this country, while the U.S. has denied almost 10,000 shipments. That's actually today's number. This large discrepancy has provoked the ire of some American politicians, including Senator Marco Rubio, as recently as September 2024, during the Biden administration. The current Trump administration also prioritizes the banning of goods made with forced labour in trade, as evidenced in the recent U.S. trade deals with Switzerland, Liechtenstein, El Salvador, Ecuador, Guatemala, Argentina, Malaysia, Cambodia and Thailand.

It is urgent that Canada act now and bring in a new, effective ban on imports made with forced labour for the 2026 CUSMA renegoti-

ation and all of our new trade agreements. An effective ban on forced labour imports would address the race to the bottom for labour standards, which in turn would provide stability and resilience in the supply chains.

Countries and businesses must be held accountable for using forced labour to trade unfairly. Fundamental labour and human rights are integral to fair and equitable trade.

Thank you, Chair. I look forward to questions.

• (1545)

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

Mr. Gilchrist-Blackwood, please go ahead.

Aidan Gilchrist-Blackwood (Network Coordinator, Canadian Network on Corporate Accountability): Thank you, Madam Chair, and thank you to the honourable members of this committee.

[*Translation*]

Thank you very much for inviting me to join you this afternoon.

[*English*]

I'll start by briefly introducing the Canadian Network on Corporate Accountability. We were founded 20 years ago, in 2005, and unite more than 40 organizations and unions from across Canada that are working to put in place measures to ensure that Canadian companies respect human rights and labour rights throughout their supply chains around the world. Collectively, our members represent the voices of millions of Canadians.

Our members come from diverse sectors of civil society: human rights, environment, international co-operation organizations, faith-based organizations, grassroots solidarity movements and responsible investor groups. Our members also have long-standing relationships with partners around the world who have been adversely impacted by Canadian business activity.

[*Translation*]

I would like to thank the committee for examining the issue of human rights violations in Canadian supply chains. It's a major issue.

Canadians across the country are still deeply concerned about the many reports of abuse, including forced labour linked to the global operations of Canadian companies.

I would like to draw your attention to three elements.

[English]

First, I want to make a general intervention that Canadian supply chain legislation must put impacted workers and communities' needs first. Any legislation considered by this committee, including an import ban, must absolutely centre rights holders. This requires close engagement with rights holders throughout the development and implementation of the policy. Import bans have been identified as a valuable tool by some rights holders, especially in the context of state-based forced labour. There is also a risk that import bans could encourage lead firms in global supply chains to simply cut and run from suspected forced labour, which, if there are no effective safety nets in place, could leave workers without wages or guarantees that they will find better work with a future employer. Thus, in the development of the regulations on an import ban, rights holders and civil society will need to be consulted in order to make sure these kinds of unintended consequences are avoided.

My second intervention is that Canada needs an effective non-judicial mechanism to provide remedy for workers and communities facing harm in Canadian supply chains. However, currently, Canada's non-judicial mechanism, the Canadian Ombudsperson for Responsible Enterprise, has yet to be granted the powers and independence it needs to do this important work. I want to highlight that a large portion of cases brought to the CORE to date have concerned allegations of forced labour in Canadian supply chains. Yet, since May 2025, the position of ombudsperson has been left vacant, which harmfully leaves complainants in the dark. I want to highlight again that Canada's approach to addressing forced labour in supply chains should include a clear commitment to staffing and empowering the office of the CORE.

The final intervention that I'd like to make is that, in its efforts to meaningfully address forced labour in Canadian supply chains, a key piece that Canada must adopt is comprehensive mandatory human rights and environmental due diligence legislation. Import bans are a tool that addresses human rights abuse after harm has occurred. If Parliament chooses to move forward with amendments to Canada's forced labour import ban, this should not be the only action taken. Our network would expect the government to make a firm and time-bound commitment to adopt comprehensive mandatory human rights and environmental due diligence, mHREDD, legislation, which can help proactively prevent forced labour and other serious human rights abuses in Canadian supply chains.

There is a very clear consensus in Canadian civil society, working with partners around the world, that a law like this is necessary, as mHREDD legislation requires companies, engaged with rights holders, to take stock and take measures to prevent and remedy all human rights abuses in their supply chains, which are interrelated and interdependent. Effective mHREDD legislation must also ensure effective remedy for impacted communities that are harmed, by providing access to remedy in Canadian courts. This would help align Canada's policy approach with the expectations established in the United Nations Guiding Principles on Business and Human Rights, as well as the OECD guidelines for responsible business conduct. I'll highlight that the UN special rapporteur on contemporary forms of slavery, in his report on his 2023 visit to Canada, rec-

ommended that Canada introduce mandatory human rights due diligence obligations on all Canadian companies.

Tens of thousands of Canadians have called on our government to pass a law like this. Our network has developed model legislation. I note as well that the government has previously recognized the need for due diligence measures to address human rights abuses in Canadian supply chains, including in the 2024 fall economic statement.

● (1550)

[Translation]

Finally, the Canadian Network on Corporate Accountability recommends that the government take into account impacted communities and workers when it drafts its supply chain legislation; give the office of the Canadian ombud for responsible enterprise real powers and appoint a new ombud as soon as possible; and pass comprehensive due diligence legislation for companies.

Thank you very much.

[English]

I look forward to your questions.

The Chair: Mr. Therchin, go ahead, please.

Sherap Therchin (Executive Director, Canada Tibet Committee): Thank you, Madam Chair and committee members.

I deeply appreciate this opportunity to speak with you today on the important matter of studying Canadian supply chains, forced labour and related imports.

I'm here today to share findings and perspectives to contribute in support of Bill C-251. I would like to focus my presentation on the significant but often overlooked risk emerging from the Tibetan regions in China, where coercive labour practices, mass relocation and environmentally destructive mining intersect with global supply chains that could reach Canadian consumers through electric vehicles, batteries and other technologies.

Given that Tibet hosts some of China's largest lithium reserves, which are essential to global EV production, there's a credible risk that Chinese-manufactured EVs that could be imported into Canada may indirectly incorporate critical minerals extracted under conditions that violate international labour and human rights norms.

Recent research, including the Turquoise Roof bulletin, shows that the majority of China's domestic lithium reserves are located on the Tibetan plateau, which is around 3.6 million tons out of a total of four million tons of reserves in China. It is located in the historically Tibetan regions of A-mdo and Khams. Chinese state geological surveys describe this area as a vast ore belt, home to what they call Asia's largest lithium deposit. These minerals feed the supply chains of BYD, CATL and other major EV and battery manufacturers.

As Canada considers importing low-cost Chinese EVs, the supply chains cannot be viewed in isolation. Tibet is geographically remote but economically central to China's green technology ambitions.

In 2023, six UN special rapporteurs warned that China's so-called vocational training and labour transfer schemes in the Tibetan region may constitute forced labour, noting that Tibetans cannot refuse participation or freely leave assigned jobs.

Reuters revealed in 2020 that over 500,000 Tibetans, which is 15% of the region's entire population, were transferred into labour programs in the first seven months of that year alone. Labour programs included military-style training centres, ideological instruction, labour transfer quotas, and relocation to factories, construction sites and industrial zones. This system mirrors the structure of forced labour that is documented in East Turkestan and other high-risk regions. Displacement, combined with restricted mobility and political pressure, creates a structural coercion. People who lose land and livelihood have no meaningful choice but to enter state-directed work.

Lithium mining in Tibet is linked to severe environmental damage as well. Turquoise Roof documented contaminated rivers from "quick and dirty" processing methods; dead fish and livestock downstream of mining operations; community protests met with force, detention or disappearance; and heavy militarization in mining areas, limiting community oversight. Environmental destruction leads to the loss of herding land, which is one of the main pillars of Tibetan livelihoods. When herders can no longer survive from the land, they become vulnerable to state-directed labour placement, including mining. In this context, labour cannot be considered voluntary.

Chinese EVs and electric battery products entering the Canadian market may rely on lithium extracted from the Tibetan regions where communities were relocated, by workers transferred through state-run training programs, in areas where dissent is criminalized under conditions inconsistent with the ILO standards.

Canada's forced labour ban, its public commitment to ethical sourcing and its climate transition strategy require that Canada not inadvertently reward or subsidize abusive extraction regimes.

I would like to share some recommendations.

The Canada Tibet Committee respectfully recommends that the Standing Committee on International Trade advise the government to require full supply chain transparency for Chinese EVs and batteries entering Canada and to adopt a mandatory human rights due diligence legislation. Companies must identify, mitigate and remedy forced labour risk.

• (1555)

It also recommends that Canada apply a presumption of non-compliance for EVs with untraceable mineral supply chains. Coordinate with G7 partners. Treat Tibet-sourced, high-risk minerals similarly to conflict minerals, subject to a shared exclusion framework.

Finally, support independent monitoring of Tibet. Fund satellite-based monitoring, open-source analysis and civil society research to bridge the transparency gap created by Chinese state restrictions.

Tibet today sits at the heart of China's critical minerals strategy. At the same time, this region is where forced labour risks, mass relocation, restricted freedoms and environmentally destructive extraction converge.

Thank you.

The Chair: Thank you all very much.

I will now open the floor to questions.

Mr. Mantle, you have six minutes, please.

Jacob Mantle (York—Durham, CPC): Thank you, Madam Chair.

Thank you, gentlemen and lady, for your attendance and for providing testimony on this important topic.

My first question will be for Mr. Trew and Mr. Gilchrist-Blackwood, picking up on some comments made about the temporary foreign worker program in Canada.

As you're aware, that's been a topic of discussion here in Parliament. I think over 1.25 million temporary workers are now in Canada. Despite promises to address that, the numbers continue to rise. The promised cap was 82,000 this year. We're at well over 100,000 this year. The problem seems to be getting worse, especially in the low-wage stream, as it's called.

As you mentioned, there was a recent UN report on that. The report referred to the temporary foreign worker program as serving as "a breeding ground for contemporary forms of slavery". In your considered view, would you view the TFW program in certain situations as tantamount to modern slavery?

• (1600)

Stuart Trew: I mean, the results of the UN study suggested that. It's in certain cases. It's not across the board. There are cases of very poor conditions and people's rights not being respected by the employer. Of course, the flaw in the program is that there's no pathway to any kind of regularization here for these workers. They're completely vulnerable to the companies that bring them in. Basically, good behaviour determines whether or not you come back next year. There are no real formalized pathways to some kind of citizenship.

That's the kind of thing we would promote at the CCPA: some kind of regularization, recognizing the essential work these workers do in Canada and the value they create for the economy. They should be basically treated like other people who provide the same value to the Canadian economy.

Aidan Gilchrist-Blackwood: I absolutely agree that the special rapporteur's report was very clear on this. I would direct you to resources produced by CNCA member organizations that have worked on this question more specifically. In the case of the CNCA as a network, our focus as a network is more on corporate human rights and environmental impacts outside of Canada. This is an issue that CNCA members have worked on individually.

Absolutely, though, I think the report is clear. I would echo a lot of what my colleague has shared in terms of the importance of pathways to regularization in particular.

Jacob Mantle: Thank you.

I want to turn now to the state of play with respect to enforcement. I think there was great hope that the introduction of a ban on the importation of goods produced wholly or in part by forced labour as part of the renegotiation of NAFTA would lead to some movement on this in Canada. The numbers certainly tell a different story. In the entire time, the rough numbers are that about 50 shipments have been interdicted on suspicion. Part of the problem, if we get to it, is transparency. We just don't know, because the CBSA doesn't tell us. That's in contrast with U.S. Customs and Border Protection, which has a nice dashboard where you can look and see how many shipments have been stopped, where they're coming from, what industries they represent and so on.

Now, the government's marquee program in this area was something called the supply chains act, which I'm sure you're familiar with. It was a transparency law that required companies and government entities of a certain size to prepare reports on their supply chains. That's now been enforced for two.... We're entering the second round, I believe, of reporting.

Could you tell me whether, to your knowledge, that marquee legislation, the supply chains act, has resulted in any additional shipments being stopped at the border?

I'll open that up to all the witnesses.

Elizabeth Kwan: In terms of the supply chain act that you're referring to, which is the former Bill S-211, unions and other activists in Canada actually spoke very loudly against that piece of legislation. It is merely a transparency piece of legislation. It does not compel anyone to act to address the forced labour risks identified in the supply chains.

That's why I think all of us here are calling for new legislation to come in that would actually be effective in this regard and would stop goods made with forced labour from entering Canada.

Jacob Mantle: Ms. Kwan, just to clarify, then, the supply chains act, to your knowledge, has not resulted in any additional stoppage of goods produced by forced labour entering the Canadian market.

Elizabeth Kwan: That's precisely the question. That piece of legislation was never designed to actually compel action to stop anything.

Aidan Gilchrist-Blackwood: In response to that question, and very much in agreement with my colleague, I'd underscore that from the start, when Bill S-211 was being discussed, there was a very clear position from Canadian civil society highlighting that legislation requiring companies to only submit reports was just not up to the task. At the time, we talked about it being, frankly, meaningless and about how what is needed is comprehensive due diligence legislation that requires action.

I do think the evidence we've seen so far, in the two years of the supply chains act being enforced, does speak to that and to the ongoing need for legislation that actually requires action to prevent abuses and not just submit reports.

• (1605)

Jacob Mantle: I realize I'm out of time.

I don't know if the other two witnesses have a brief comment or a yes or no. To your knowledge, has the supply chains act resulted in any additional goods being stopped at the border?

Sherap Therchin: No.

The Chair: Go ahead, Mr. Fonseca, please.

Peter Fonseca (Mississauga East—Cooksville, Lib.): Thank you to our witnesses.

I'll actually follow along with some of the questions that Mr. Mantle was asking. This will be for all the witnesses, and each of you can answer.

What enforcement mechanisms—be it administrative penalties or import suspensions—should be considered for non-compliance with the proposed legislation? If you think that through, what would your answer be?

Stuart Trew: I would defer to Aidan for the specifics. They've done a lot of work on what the system would look like and certainly in terms of due diligence.

That's different from the legislation that's before us, Bill C-251, which would simply deal with import prohibitions. CBSA would detain, confiscate and either destroy or send back—as I understand it—goods that were imported from areas where they were likely to be made using forced labour.

That's my understanding of it. It wouldn't be an administrative penalty. It would simply be that you're blacklisted as a region, company or country, unless you can provide evidence otherwise, evidence that these products were not made with forced labour. We're going to detain them, and we're going to either destroy them or ship them back.

Aidan Gilchrist-Blackwood: Maybe I could chime in briefly.

In the case of our due diligence legislation, I think a key piece for enforcement there is the private right of action. It is a different piece of legislation that we're talking about now, here, but our model legislation establishes a private right of action in Canadian courts for people who have experienced harm in the supply chains or operations of a Canadian company abroad. That is a key piece in the due diligence model.

Elizabeth Kwan: I would say that the holistic response to forced labour has two pieces. One is the mandatory due diligence piece, and the other is the import ban piece. If we had both pieces together, that would be great. If we want to, basically, separate the two and do them one by one, that's fine, but I urge you to consider a more comprehensive approach, just because if one comes in, it actually compels the other half to start kicking in, in terms of the necessity to act.

For instance, if you have a new or strengthened ban on forced labour imports, you're stopping them, but, as my colleague said, that is after the fact—the products have been produced by forced labour already, and they land at our borders. If that were to kick in, I would ask you to think about what that does to the businesses that are importing those goods into Canada. The logical thinking would be that if you're going to stop the imports, then you might as well address some of that ahead of time, through mandatory due diligence legislation. This is why I think the best scenario, of course, is to have both parts available at the same time, because that's a very comprehensive approach. I will leave that there.

I would also like to say that Bill C-251 is very important in terms of a model of looking at the ban on forced labour goods, but we should not think of it as Canada going alone on this, because we're not starting this from scratch. There are other countries that have done this and studied a lot of this, and that can be very informative. In fact, the 2024 fall economic statement did mention both parts, and there was legislation that would have been introduced had that economic statement gone through and been implemented.

• (1610)

Peter Fonseca: Do you want to say anything?

Sherap Therchin: Yes, for the non-compliance, with respect to Tibet, I think the challenge remains accessibility. I spoke, of course, about the focus on lithium, but it's not just the lithium. Whether we talk about forced labour or any human rights violation that's happening in Tibet, the challenge remains getting information out of Tibet.

I would request a combination of traceability and verification—sending an independent observer to Tibet—along with the consequences.

Peter Fonseca: Thank you.

Ms. Kwan, the Canadian Labour Congress represents three million workers here in Canada. What sectors would be most exposed to this unfair competition from goods that are made by forced child labour abroad?

Elizabeth Kwan: I would say, any of the industries that import, for instance autos. I think my colleague mentioned EVs, but it's

more than that. There are other things as well. It's very pervasive—cotton, tomatoes, bananas from Ecuador—

Peter Fonseca: There's tuna.

Elizabeth Kwan: Yes, there's tuna as well. It is very pervasive, and I would say it affects everyone.

One thing we don't really think about is what this means. It means cheap goods, but think back to the story of the Rust Belt in the United States. They were promised cheap goods, and they didn't put in strong provisions to protect the workers, so what happened was that it became part of the equation in which the industrial base got gutted out.

I think it's very important. I know it's not something that's obvious to most people, but it is very important to maintain those standards in our trading.

Peter Fonseca: Thank you.

The Chair: Thank you very much.

We move to Monsieur Savard-Tremblay, please.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

I thank the witnesses for joining us.

I'd like to ask each of you some quick questions.

Ms. Kwan, you would like the government to adopt a global approach, and I agree with you. In fact, during the previous Parliament, I cosponsored Bill C-262, introduced by former MP Peter Julian. Although we were in different parties, we agreed on the idea behind the bill. I had no issue being a cosponsor.

I'd also heard the appeal regarding Bill S-211, and I voted against the bill, as did my Bloc Québécois colleagues.

That said, let's focus on the part that relates to imports.

I introduced Bill C-251, and Mr. Trew asked for it to be passed.

Are you also in favour of this bill being passed?

[English]

Elizabeth Kwan: On adopting Bill C-251, yes, I am.

[Translation]

Simon-Pierre Savard-Tremblay: Perfect. Thank you.

Mr. Gilchrist-Blackwood, I'd like to know what you think of Bill C-251.

[English]

Aidan Gilchrist-Blackwood: On this issue, our network doesn't have a collective position. The network has a very clear collective position on mandatory human rights and environmental due diligence legislation. There are certainly member organizations that are very much in support of this bill and this approach, and I think that in all cases there would be an important concern around seeing the regulations built out with that rights holder-centred approach. Highlighting that the regulations should be developed with a focus on rights holders would be an important piece for all members of the network.

[Translation]

Simon-Pierre Savard-Tremblay: Mr. Therchin, I know you're in favour of passing this bill, since you were at the press conference.

However, for the record and our report, could you reiterate your position regarding Bill C-251?

[English]

Sherap Therchin: Yes. The Canada Tibet Committee is in support of Bill C-251.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you.

Mr. Trew, you said that the Canadian model doesn't work, but that the American model does.

Why is that? What's the difference between the two?

• (1615)

[English]

Stuart Trew: I get my information as well from groups like CN-CA and Above Ground. As far as I know—and others on this panel might correct me—it comes down to what regulations and legislation allow border agents to do in the United States, as compared to what Canadian border agents are allowed to do.

While we have in place this legislation that is supposed to bring us in line with the CUSMA commitments on banning forced labour imports, there's a lot of discretion for our border services in how they go about doing that. What they need is a bit more guidance. The legislation that you presented, as I understand it—and that is one reason why we support it—would allow the government to start to provide that guidance to the CBSA.

As my friend here was saying, how the regulations are developed, and then how we make sure the government actually moves forward with providing that guidance, is also important. You can't just have new legislation that says the government is allowed to provide guidance to border agents if the government is not actually going to provide the guidance, if you see what I mean. As a result, this would need some follow-up.

[Translation]

Simon-Pierre Savard-Tremblay: I'm not sure who will be able to answer my next question. I imagine Ms. Kwan has done some work on this issue, but any one of you can answer.

I'd like to hear about the benefits of the model that puts the onus on importers—whereby they have to show that certain entities, companies or regions did not use forced labour to make their products—as opposed to the ineffective Canadian model, whereby everything depends on the customs officer's discretion.

[English]

Elizabeth Kwan: I would say that the importers and exporters—basically, the businesses in the value chain—have to step up and look at their supply chains. I think there was an article that said that GM, as a big company, is asking its subsidiaries and their other companies to look at and try to address those risks. It is something that large businesses, corporations and multinationals are doing.

What we want is to be able to compel action by more than just one or two companies. We want these companies to know that it is a good business model and that it is actually a sustainable business model.

[Translation]

Simon-Pierre Savard-Tremblay: Let me be more specific.

Right now, in Canada, it's the customs officer's responsibility to establish whether a product was made using forced labour. As Mr. Trew pointed out, in the history of this country, almost nothing has ever been seized. In the U.S., that responsibility falls on the importer, and it's working very well. Billions of dollars worth of merchandise have been seized in the U.S.

If you support Bill C-251, I presume you also support the reverse onus regime.

[English]

Elizabeth Kwan: Absolutely.

If you're counting on one employee to stand up and say, “I am going to do this. I am going to stop a whole shipment, because I really believe this is....” I mean, it is a ridiculous burden to place on one employee, which is more or less what the current system is set up to do.

The system needs to actually be a system. It needs strong enforcement. It needs backup and financial backing to it. As I said, if you're not one who actually has feelings about the issue of forced labour or feelings about the financial and trading aspects of forced labour... We really need to get our act together so that we can go to the CUSMA table in 2026 and say, “Hey, we are doing this.”

The Chair: Thank you very much.

We'll move on to Mr. Genuis.

• (1620)

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Madam Chair.

It's a pleasure to be back at this committee. It's important that we're talking about forced labour again, even though it seems like I've been talking about this issue for a long time and we haven't really seen any government action, or at least not government action to meet the moment.

A few of you talked in your opening testimony about lithium and about EVs. I wanted to zero in on that point. I think this is really important. Trade is obviously important for our economy, but it's also a tool for achieving other foreign policy objectives.

It seems clear to me that the Government of China is making carefully considered, strategic moves to dominate the emerging battery-driven sectors of our economy. Chinese companies are dominating extraction of key commodities in East Turkestan and Tibet, as well as in the DRC and in other parts of Africa. They're dominating manufacturing, and there are gross human rights abuses in every case, but this is also designed to leave us, in the free world, strategically dependent on the Chinese state when it dominates supply chains and controls our access to new technology.

I'm very concerned about this. I think we need to sound the alarm about it, because, if left unchecked, it will leave our societies deeply dependent, economically and politically vulnerable, and substantially unable to confront the kinds of human rights abuses that you've talked about. Therefore, in confronting the issue of forced labour, especially forced labour in these particular kinds of supply chains, we see a kind of convergence of our moral obligations, our economic interests and our long-term strategic interests.

Mr. Therchin, it's good to see you. I wonder if you can share your thoughts on the issue of how, in some sectors, overlapping with forced labour, we see these efforts at domination of certain supply chains and therefore the creation of structures of strategic dependency for us here in the free world.

Sherap Therchin: I chose to speak on lithium and its connection to Chinese EVs because, although a lot of us as Canadians are aware of the 100% tariff on Chinese EVs, I'm not sure how many of us are aware that the batteries being used in those EVs are actually extracted from Tibet. More than 85% of that lithium is extracted from Tibet, which has a record of strong human rights violations. Adrian Zenz, who wrote the reports on forced labour in East Turkestan, wrote a report about forced labour in Tibet in 2021 for the Jamestown foundation.

Similarly, Reuters, as I mentioned in my opening remarks, also reported on mass training, which included political indoctrination. After about six weeks of training, those Tibetans were transferred to southern Tibet, closer to India's border, and they were put into factories and construction sites. We're not sure whether they were consulted or compensated during this transfer from the training to those working sites. Hence, the UN special rapporteur used the term "forced" and discussed the possibility of forced labour.

We're really seeing a combination of abusive extraction of minerals and a strong possibility of forced labour in what's happening in Tibet. I really wanted to take this opportunity to promote awareness about forced labour, but also about the abusive extraction of lithium in Tibet.

Garnett Genuis: As a complement to this, it would be interesting for this committee to look at some of the other issues in these same supply chains involving Chinese state-affiliated companies, including—I'll mention it again—some of the issues in the DRC.

Thank you for bringing our attention to the issues in Tibet. I think the committee is likely familiar with the issues in East Turkestan as well.

Just quickly, in the time I have left, Canada has obligations under the USMCA, and the United States has stopped far more shipments than we have. Do you think that one step we could take in terms of

improving our engagement with the United States would be to do more on the forced labour side? Do you think that would make a difference in our engagement with the United States?

I see a few nods. Ms. Kwan, do you want to comment on this quickly?

• (1625)

Elizabeth Kwan: Yes. I think it's absolutely necessary for the Government of Canada to act quickly on this. As I said, I did not accidentally put that piece in my remarks. This discrepancy of numbers has actually raised a lot of loud concerns from many American politicians. It is an irritant. Luckily, it's one of those issues where what's good for us is good for them at the same time. I think it's absolutely a win-win situation in terms of going to the CUSMA renegotiation table with something in hand that says that we will definitely do better, that we can do better and that we'll prove it.

The Chair: You were way over there.

Garnett Genuis: Thank you.

The Chair: You're welcome.

Go ahead, Steeve.

[*Translation*]

Steeve Lavoie (Beauport—Limoilou, Lib.): Thank you, Madam Chair.

I thank the witnesses for joining us to discuss this important matter.

I'd like to understand a few things. I have an economic and business background, and I'd like to talk about the supply chain.

I've heard a lot about the number of shipments seized in Canada and in the U.S. There's been a lot of talk from the get-go about the difference between the two models. Is the number of shipments seized the only way to measure the effectiveness of a model? Are there less obvious ways of doing that? We're talking only about the number of shipments, but can we use another method?

My question is for all four of you.

[*English*]

Aidan Gilchrist-Blackwood: It's a good question. I think there are a number of factors that can be looked at. Obviously, intercepted shipments are one important measure, of many. Others come back to this theme of rights holder engagement, in part. They do come from rights holder groups. When we're talking about forced labour, I think an important source there is reports of forced labour from rights holder groups, from whistle-blowers, etc., who are raising incidents of forced labour.

I think that's another one that I would add to the table, among others, obviously.

[Translation]

Steeve Lavoie: Would you like to add anything, Ms. Kwan?

[English]

Elizabeth Kwan: I would say it's counting shipments that are stopped or withheld, and then it's counting the ones denied because it's been proven, or because there's no objection to it being determined, that the goods are from forced labour. That is one metric. It is a metric that in a way, despite the fact that it doesn't really work very well right now in Canada, is very solid.

I would say, if you want to look at more metrics, go back to the holistic approach. The transparency legislation we have right now, the former Bill S-211, requires the company to report. Quite frankly, if you ask me to report on something—like my name tag—I can write you a report on that. It's meaningless if you're not compelling them to identify and then act. That's where I think the difference is. You can report on anything. If you are actually compelled to act, then you have to identify what exactly you're acting on, which is, I think, a metric that would be useful.

Quite frankly, as I said at this committee last year, we need to build—as our PM would say—but we also need to build in a very forward-looking way. Where are we going with this stuff? Where we're going with this stuff is trade that is different from what we had before, which we know doesn't work. We are regressing to a very old, traditional model that doesn't work. That's why we were in the mess we were in during the pandemic. You will remember the panic about the vulnerabilities in the supply chain.

That is all to say that we need to do more, and we need to do things that are, hopefully, more comprehensive in approach.

• (1630)

[Translation]

Steeve Lavoie: Mr. Trew, we're talking about supply chains, so could you give us one or two specific examples of patterns to show the average Canadian that forced labour is creeping into supply chains and going unnoticed? As I said, in my experience in the business world, those issues were not often discussed.

How do these things creep into supply chains? Is there a pattern? Do you have specific examples to share?

[English]

Stuart Trew: As I understand the question, it's dog eat dog in terms of competition. Obviously, if you want to bring costs down, you bring in the cheapest materials. Oftentimes, you don't care or you don't spend the time to see where your materials are coming from. A lot of the forced labour in the supply chains goes completely unnoticed by the people doing the trading, the ultimate producers of the final goods.

This is a very complicated process. It involves way more companies than the shipments being stopped at the border, even in the U.S. It's a big can of worms. I mean, we're talking about competition with China on goods that require a lot of this stuff that is very dirty to get out of the ground and very labour-intensive, and where there is huge competition. The pressure to find those cost savings is enormous.

Yes, as Elizabeth said, if we're doing things in the standard free market, where we just bring in the cheapest goods possible, it's just not going to work. We'll simply reproduce the problems that China is experiencing with forced labour in its electric vehicle supply chains, for example, through building new mines elsewhere and just reproducing that. There is a certain low cost involved that makes those cars cheap. If we're going to compete in the same free market ways, we'll end up reproducing these problems.

It is important that we get this right in a comprehensive way. That's where the monitoring by civil society and other groups, and the repeated care from governments co-operating with each other, will come into play.

The Chair: Thank you very much.

Mr. Savard-Tremblay, you have two and a half minutes, please.

[Translation]

Simon-Pierre Savard-Tremblay: As we said, there are two parts to this issue: one, the products coming into the country, and two, what we can demand from companies upstream.

I want to remind everyone that Bill S-211 covered only certain-sized companies and child labour, not human rights as a whole. It was simple: companies had to file a report. In other words, they could report that no measures had been put in place, and yes, those that didn't file a report could be fined.

Now, what would real due diligence legislation look like? Could you tell us which criteria would need to be established?

Whoever wants to answer can go ahead.

[English]

Aidan Gilchrist-Blackwood: I'd be happy to start on that question.

I think there are several very important criteria for an effective due diligence law, one being the obligation for prevention. That, I think, is the foundation of an effective due diligence law. It's establishing the obligation to prevent harm by doing your due diligence to examine your supply chain and identify and remediate any human rights abuses that you may find.

Within that, I think having it apply to all human rights is very important. As we know, human rights are interdependent and indivisible, and the violation of one right often contributes to the violation of another right. A common example is that if collective bargaining rights are not respected, it can be a risk for forced labour, for example.

I think a third essential piece is access to remedy. Remedy is foundational to justice. In the model law that the CNCA has put forward, that access to remedy comes through the private right of action in Canadian courts for rights holders who have experienced harm in Canadian supply chains. That access to justice is a fundamental third element.

[*Translation*]

Simon-Pierre Savard-Tremblay: It's important for victims to have access to a remedy mechanism, absolutely.

A bill on imports, Bill C-251, has already been introduced. At the moment, no bill has been introduced on due diligence. I presume you'd like to see one introduced.

Do you think former Bill C-262 was up to snuff?

I'd like every witness to answer yes or no, if possible. If not, we could remind you what was in the bill.

[*English*]

Aidan Gilchrist-Blackwood: I could start us off.

Yes, I think Bill C-262 was a strong law. It was based on the CNCA model legislation and it had those key elements, so yes, I do view that bill as a strong encapsulation of those key due diligence elements.

The Chair: We will go quickly to anyone who wants to answer.

[*Translation*]

Simon-Pierre Savard-Tremblay: I just want a yes or no answer.

• (1635)

[*English*]

Elizabeth Kwan: The answer is yes.

Stuart Trew: I'll say yes, sure.

Sherap Therchin: Yes.

The Chair: Go ahead, Mr. McKenzie, please, for five minutes.

David McKenzie (Calgary Signal Hill, CPC): Thank you very much, Madam Chair.

I appreciate the presence of all of you here today, and all the information you're providing.

I'm a new member of Parliament, so I'm coming in the middle of this issue—or perhaps I don't know where, but it's been an ongoing issue for quite some time.

I've been reading about the fall economic statement delivered by the current Liberal government in 2024 and about the commitment at that time to create a due diligence regime. Do I understand correctly that this has not happened?

Elizabeth Kwan: Nothing has happened, because the fall economic statement did not go through, basically.

David McKenzie: Similarly, at that same time and in that same document, there was a promise to create an oversight agency. Has that also been an empty promise to date?

Elizabeth Kwan: That's correct.

David McKenzie: If we had some of that mechanism.... I mean, it seems to me that the legislative base is largely in place; it's just a

question of follow-through, of action on the part of the government, so that we can actually see some of the intentions that I think our country holds. You've referred to civil society and the interest we have in ensuring that our country is not benefiting from the derogation of the rights of others in other parts of the world.

We have the legislative framework. We had a promise that we would have effective enforcement, but it just hasn't come to pass. Is that fundamentally where we stand?

Elizabeth Kwan: That's how things stand right now.

I would say that the current Bill C-251, the former Bill C-262 and also.... Whatever draft legislation was prepared to support the passing of the fall economic statement is somewhere out there. As you know, the budget has a budget implementation bill, so if the fall economic statement had gone through, that too would've had an implementation bill, and the pieces of legislation drafted would have been in that implementation bill.

David McKenzie: That's fine; we would find those answers there, but would I understand, then, that you have not found those answers in the budget documents that have just been tabled by the government?

Elizabeth Kwan: I don't believe that civil societies or unions have seen the draft.

David McKenzie: Okay. You're waiting to see, so hope remains. Is that the word at the moment?

Elizabeth Kwan: Well, I don't want to take up all the space. Hope remains, of course, but, quite frankly, survival remains too because the CUSMA renegotiation is coming up in 2026.

David McKenzie: Indeed, there are new days ahead.

My colleague, Mr. Mantle, referred to what I take to be the comparative effectiveness of the United States at interdicting shipments of goods that they've been able to identify as having been produced with forced labour or other labour practices in violation of international norms. We have not had that success. Should we be working more closely with the United States to try to benefit from some of their successes?

Stuart Trew: Yes, I think we should, and I think we should do it irrespective of the progress in the CUSMA negotiations. It's something we should get to right away with Mexico as well.

The fact is that the U.S. has a lot of resources, more resources than we do, obviously—it's a bigger country. They have been doing this longer, and we can probably learn quite a bit from them. Even in terms of some of the information we collect and require of our imports, they do a much better job. This is publicly collected. It's transparent. In some cases, you can study it as a researcher. We need to figure out what they're doing that works, harmonize to some extent and give that information to civil society: What's coming in from where? There have been some great investigations done, from the CNCA and others, in terms of finding forced labour. Anything that can feed into that from a tri-national perspective, I think, would be great.

David McKenzie: Thank you, Mr. Trew. We have the benefit of some of my colleagues from the House of Commons here who are part of the government caucus. I'm sure they'll take that information away.

I want to ask, and it's open for any of you to respond to, whether you have concerns about what I'm going to characterize as a warming in the trade relationship between Canada and China. Does that give you pause for concern?

• (1640)

Sherap Therchin: I would make it clear that we at the Canada Tibet Committee are not against the trade relationship between Canada and China. Our concern is that any import of a goods product coming out of China should be in accordance with the international norms of human rights. If we had legislation that would verify not only the current stages of the product coming in, but also, as a member mentioned in the past, upstream, you know, where it really originates from, I think we would have known by now that the batteries being used in those Chinese EVs were extracted from Tibet. Despite a lot of media attention on the 100% tariff on Chinese EVs, many of us don't know that those batteries could be from Tibet.

David McKenzie: Thank you very much.

Does anyone else have other concerns as that relationship changes?

The Chair: Please answer quickly.

David McKenzie: Oh, pardon me, Madam Chair.

The Chair: It's okay. I'll give them an opportunity to answer you quickly, if you'd like.

Stuart Trew: I'll go.

Characterizing them as getting warmer... I would say maybe "a little less frosty" would be the way to put it. I have no inherent across-the-board concerns with considering taking steps toward closer engagement with China. I do have some concerns with... Obviously, we're interested in an independent foreign policy, one that is not beholden to China or to the United States, and we have some concerns related to the CUSMA review and renegotiation. Questions around how much... Are there going to be other poison pills, so to speak, in that renegotiation that stop us from those kinds of conversations we might have—responsible conversations. We don't want to go in naive or anything, in terms of getting closer with China, but do we want to, for example, mirror U.S. trade remedies, harmonize U.S. trade remedies as an impulse? I'm not sure. I think these questions are going to come up, or we're going to have to think about them.

The Chair: Mr. Naqvi, please, you have the floor for five minutes.

Yasir Naqvi (Ottawa Centre, Lib.): Thank you very much, Madam Chair.

I want to thank all the witnesses for being here today.

Every time we have a conversation like this, on a topic of conversation that's not just relevant to Canada but concerns the world, I'm always curious to know what are some best practices and best models around the world. If you could, take some time to express

which jurisdictions in the world you think we should be looking at in terms of laws and regulations that you feel got it right when it comes to forced labour and when it comes to making sure there's appropriate due diligence in relation to supply chains.

Maybe I'll start with Mr. Trew.

Stuart Trew: If it's all right, I'll defer to my colleagues on that. They've done much more research on the international comparisons.

Elizabeth Kwan: It's worth looking at the EU model, although last week they weakened it. That weakening, as with many things that are happening around the world, has to do with the politics that are prevalent right now in each country, but I think this is one of the areas we should look at.

I also think it's important for us to line ourselves up more with the EU if we want to do more trade with the EU.

Aidan Gilchrist-Blackwood: The EU does offer a strong model, and I'll echo that it is unfortunate that we have seen some weakening due to specific political dynamics. I note as well that there have been a number of public statements speaking out against that weakening, including statements from large business groups in the EU.

As another example of a jurisdiction that is moving forward with comprehensive due diligence regimes for the human rights obligations of their companies, South Korea tabled legislation this year. We obviously see examples of existing legislation in France and in Germany, for example, as well.

It is worth saying that there is a growing global push towards stronger regulation across the board. It is important that Canada not get lost and that Canada be part of that by taking a leading role among those leading states that are starting to adopt these stronger measures.

• (1645)

Yasir Naqvi: Mr. Therchin, do you have anything to add?

Sherap Therchin: In my recommendation, I suggested working not only with the U.S. but also with G7 partners. I'll just leave it there.

Yasir Naqvi: Can I pick up on the response you gave?

Both of you referenced the EU. Mr. Gilchrist-Blackwood, you talked a bit about South Korea, France and Germany. What elements make their legislation robust or strong, in your view?

Aidan Gilchrist-Blackwood: Strong due diligence obligations are a key element of all those laws. They establish, under law, the corporate obligation to do due diligence to prevent harm. That prevention piece is really key. All of this legislation has really put that expectation into practice.

As we've been discussing throughout this hearing, ensuring that prevention is a key part of the comprehensive measures we're looking at is really essential.

Yasir Naqvi: The idea is to put the onus of doing the appropriate due diligence onto the companies that are producing things or maybe purchasing things from other jurisdictions where there may be concerns around forced labour. Is that similar to what we see around regimes for dealing with bribery and corruption?

Aidan Gilchrist-Blackwood: There are some analogous elements, certainly. Yes, there are some similarities. They're not identical, but there is some parallel to be drawn there, certainly.

Yasir Naqvi: I want to come to the topic of remedies.

Mr. Gilchrist-Blackwood, you spoke to remedies. Can you speak to what kinds of remedies or recommendations you have in mind for this committee when it comes to companies or businesses not following the due diligence you're speaking of?

Aidan Gilchrist-Blackwood: It will often be context-specific. When we're looking at comprehensive due diligence legislation, a remedy mechanism oftentimes is a judicial remedy. When we talk about import bans, a key piece that often comes through is the importance of ensuring, as part of the.... When a ban is lifted, for example, a condition for the lifting of the ban is that there is remediation for workers. In some cases, that has looked like payment of unpaid wages.

Again, it can be context-specific, depending on the harm that we're looking at, but it is a fundamental grounding principle in these different proposals we're looking at.

The Chair: Thank you very much.

We will go to Mr. Mantle, please, for five minutes.

Jacob Mantle: Thank you, Madam Chair.

In all of your testimony, you've talked about new laws that we need. I have to say that I'm not convinced, and I'll tell you why I'm not convinced.

In 2020, we brought in an import ban. We thought, "All right; we have an import ban. That is the most heavy-handed law we can bring in. We're going to prohibit goods that are produced by forced labour from entering the country." Then we brought in a transparency law and said we were going to make companies report on what they're doing in their supply chains. None of those things worked.

Do you know why they don't work? It's because the government doesn't do anything with them. We can change the laws as many times as you like, but if the CBSA and the government don't enforce them, we won't get any results. We talked about why the U.S. is better than we are at this; it's because they actually stop shipments and look at them.

I want you to try to convince me that we don't have enough tools. We don't need more law, and we don't need a change in law; we just need the CBSA and the government on the other side of this table to use what they already have. It's illegal under the Customs Act to possess goods that are illegally imported, which means that if car company X has a car on its lot right now in which one iota in its battery system was produced by forced labour.... Remember that this import ban has no de minimis provision. If there is one screw.... I'm being extreme. Let's say you have the battery in the whole car

that's produced by forced labour. The CBSA could go to that car lot and take it right now. They don't do that.

How about the suit you're wearing, Mr. Trew? Do you know where it was made? No. I don't know where mine was made either, but if it has one fibre that came from certain parts of the world that we know are problematic for forced labour, that's a problem.

My point is that we have the tools and we have the agency, but we seem to have no will to do anything with them. Convince me that changing the law or letting the government say, "You know what? Actually, all we need to do is change the law, and then everything will be hunky-dory again".... I'm not convinced. I'd like to see you guys say, "Actually, we need the CBSA to do its job and enforce at the border."

• (1650)

Stuart Trew: I would agree with most of that, but as far as I understand, this legislative proposal, Bill C-251, is essential. It does provide an essential guidance to the government to fix a problem, which is that, just as you say, we have the law, but it cannot be implemented. It's guidance versus obligations and procedures.

I've seen a legal opinion to this effect, which isn't yet public, as far as I know. I do encourage you to speak with others. I think you're going to be having more people here, and I would encourage you to talk to groups like Above Ground on this. Maybe others on this panel know the answer better than I do, but something like this is essential.

I understand what you're saying, because it would be nice if we could just direct CBSA to go and do its job. Resources are obviously a problem, as you said. We need more people looking into this. Follow-up by the Canadian government is never good, in a number of respects. It comes up in Auditor General reports in a number of areas: environmental follow-up and follow-up on labour standards or on occupational health and safety. They're not good at following up on anything.

In this case, though, I do think we need this specific piece of legislation in order to start the process of forcing the government to do more than it is right now.

Jacob Mantle: The CBSA can go back four years into an importer's books right now, under their normal procedures, and six years for some goods. They don't do that.

If we changed the law tomorrow and made it reverse onus, the CBSA, number one, doesn't collect information about what region of a country something is from unless it's from the U.S. Then they collect the state-level information. They don't know where in China a good comes from; they just know it came from China, because the importer writes "CH" on the declaration. They're not even equipped to do that. Even if they were, it doesn't stop importers from behaving badly, which we know they do.

The number one question I got from importers on this when they thought their goods might be stopped at the U.S. border was, “Could I send them to Canada instead, because I know the CBSA won't look at them?” That's the type of question I got as a lawyer when I was dealing with this.

I don't think changing the law will do anything. I want to see the CBSA take some action first, and then come back and say, “We've actually tried to enforce the law we already have, and here is where the weaknesses are. Here are the loopholes in it. Here are the things that are working and here are the ones that are not working,” before we say that changing the law again will solve the problem, because if you don't enforce your reverse onus provision, you'll be back here saying that it's not working again.

Maybe I'll ask another question. As you see, I'm engaged on this topic.

I think it would be good to hear from the CBSA on this issue and from the minister. Do you think we should invite the minister and the CBSA officials to talk on this issue?

Stuart Trew: Yes, absolutely.

Jacob Mantle: If any of the other witnesses want to comment, I'd be happy to hear from them on any of those issues.

Elizabeth Kwan: I would say that we made changes to the Customs Tariff act because we wanted to sign CUSMA. That has proven to be not really workable. I think that when something is not workable, you either strengthen it or bring in new legislation.

One of the things that have been identified is the lack of resources for CBSA officers to actually do what they need to do. This was part of the draft. When the government was going to introduce the draft, they actually put someone in charge of this process, which is actually kind of shockingly important. They were going to put the two parts together and make someone in the government, in GAC, responsible. Then they were going to strengthen the law so that they could actually enforce it. Then they were going to put resources behind it.

• (1655)

Jacob Mantle: We're still waiting.

Elizabeth Kwan: To your question, the fact is that they knew what couldn't work and they were trying to address it. I would say that if you know something is not working, you walk away. You do something new. This is something new, and I think it's worthwhile.

You need resources to implement it—

The Chair: I'm sorry. I let everything go. This is extremely interesting to all of us here at the committee.

Just for your information, the CBSA is invited. It's just the CBSA for now.

Garnett Genuis: I suspect the committee would agree to invite the minister. Does anybody have a problem with inviting the minister?

The Chair: I don't think it's a problem. We will invite the minister. Subject to her availability, she'll be here.

Jacob Mantle: The minister responsible for the CBSA would be the Minister of Public Safety.

The Chair: It would be the appropriate minister. Okay. We will make sure.

Go ahead, Peter.

Peter Fonseca: Chair, it'll be Monsieur Lavoie.

The Chair: Okay. Thank you.

Monsieur Lavoie, go ahead.

[*Translation*]

Steeve Lavoie: Thank you, Madam Chair.

I have many questions to ask.

I'd like to talk about the business perspective. I heard a lot of things earlier about putting the onus on businesses. I know many business leaders, and, honestly, I don't think a single one would agree with that idea.

Mr. Trew, you talked about the financial aspect and the competition businesses face, things I understand very well. However, you described the situation as a can of worms, because of how complex and difficult it is. It was also said that the onus was on large companies.

That said, the reality in Canada is that the vast majority of businesses are small and medium-sized companies. They're small players that don't have the same resources as large companies, but they are just as impacted.

Small and medium-sized companies also represent the majority of businesses. In the Quebec City area, 75% of businesses have between one and eight employees. The number of small businesses is huge.

This question is for the four of you. How can small businesses do what's being suggested with their limited resources? They want to be efficient and effective, and they are full of goodwill. They would take on the responsibility in an instant if they could.

If you have mechanisms or tips you'd like to share, please do so. Obviously, I'd prefer if you focused on small and medium-sized companies, not large ones. That's important, because they don't have the same resources as large companies.

Whoever wants to go first can go ahead.

[*English*]

Stuart Trew: I'd probably defer again to Aidan and Elizabeth on this.

As for how the law would affect suppliers, I agree that small businesses are the least able to monitor all of these things and keep track. Larger businesses may be in a better position to do that, but even large businesses would have trouble finding all of their suppliers and sub-suppliers and so on.

As the system is put in place and you end up with lists and you end up with information coming in from affected groups—affected workers and so on—this does fall on the supplier, the importer, but ideally you would expect some co-operation from the government, I believe, in order to make this work. You can't just let it all be handled by people with not enough resources. That's my take on it.

Elizabeth Kwan: I agree that small businesses would find it very hard to actually have the resources to do this, which is why part of the regime has to be supports for businesses. How small are we talking about? If we're talking about tiny businesses, then maybe we'll find another way of dealing with that.

If you look at what's happening in the EU right now, for instance, the weakening of the law has to do with the fact that they actually now have a base threshold that is so high that 52% of businesses in France are exempt from that regulation. Again, you're talking about small businesses, and I'm talking about how it really depends. The choice is up to the government to find that sweet spot of how to prevent as many of the forced labour imports as possible from coming into Canada.

It's so pervasive. It's not an easy task, but it is a task that is the way forward for a lot of countries that can see this is good practice for both businesses and labour.

• (1700)

Steeve Lavoie: Mr. Gilchrist-Blackwood.

Aidan Gilchrist-Blackwood: I don't have too much to add to what's been said by my colleagues already.

I absolutely agree that it would be convenient for very small businesses to have supports or to have special considerations in the case of very small businesses in particularly low-risk sectors, for example, when it comes to this.

I would also echo that perhaps an advantage of having an entity list is that it is publicly available. Having that entity list be transparently communicated would also create a publicly available database of entities where there is suspicion of forced labour, which is also, across the board, something that would improve ease of business practices for businesses looking for that information.

The Chair: Thank you very much.

We're on to Mr. Savard-Tremblay for two and a half minutes.

He will be the last speaker.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

Mr. Therchin, we know that Canada-U.S. relations have been a little complicated lately.

Do you think Bill C-251 could help improve those relations, in the sense that it would bring North America's legislative systems regarding imports into alignment?

[English]

Sherap Therchin: I will give a very generic answer.

Although I think we're all concerned about the current trade relationship between Canada and the U.S., at a people-to-people level and at a cultural level, I don't see this as a long-term problem. I see this more as a temporary, one-year or two-year, problem.

I'm a bit more optimistic in this regard. In the long term, I think there will be a more favourable situation.

[Translation]

Simon-Pierre Savard-Tremblay: Yes, of course.

My question wasn't about Canada-U.S. relations in general.

Do you think the bill would help to build trust with the U.S.? It would send a message of legislative unity and show that Canada's border is not porous, especially when it comes to, say, Chinese goods produced using forced labour. It would be a geopolitical stand.

[English]

Sherap Therchin: It would definitely work in favour of both Canada and the U.S. if we worked as a team to counter forced labour imports from China.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you.

Mr. Gilchrist-Blackwood, you talked briefly about the ombud, saying that the position is vacant. I presume you'd like for someone to be appointed?

Aidan Gilchrist-Blackwood: Yes, absolutely.

Simon-Pierre Savard-Tremblay: Thank you.

That said, does the ombud have enough powers or should the ombud have more? Should the ombud have, for example, the power to call witnesses and request documents?

Aidan Gilchrist-Blackwood: The office must have the ability to carry out effective and independent investigations.

[English]

The Chair: Thank you very much.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you.

[English]

The Chair: I understand Garnett has a burning question. I don't know if anyone else does. I'm just keeping track of the time. We have committee business on the travel to finalize quickly. We have to deal with Mr. Chambers' motion as well, and it's 5:03.

Mr. Genuis, go ahead.

Garnett Genuis: Thank you for your indulgence, Chair. I'll be brief.

Madam Chair, you and I are both involved in IPAC, the Inter-Parliamentary Alliance on China, an international organization of legislators working on China that's done a lot on the forced labour issue in particular. I think it's noteworthy that one of the founders of that organization was Marco Rubio, who's now the U.S. Secretary of State and who also played a central role in the passing of the bipartisan Uyghur Forced Labor Prevention Act in the United States. He clearly is deeply, personally invested in these issues. It seems to me that an easy area to potentially pursue a win-win would be to engage more with the United States in finding greater levels of alignment on combatting forced labour and on working together on enforcement, as well as on alignment in terms of legislation.

Do any of our witnesses know if any conversations or proposals have been put forward or discussed in the context of the present difficulties around working more effectively with the United States on forced labour issues as a way to achieve a win-win on something that's clearly important to people within the administration and that's important to us as well?

• (1705)

Stuart Trew: I'm not aware of any conversations happening with the United States or the details of them. Obviously, the government hasn't shared a lot of those details, so we just don't know the extent of the proposals that have been put forward.

I do suspect that the United States Trade Representative and the government would be very open to a proposal from Canada to co-operate more closely on these issues.

Elizabeth Kwan: I would absolutely agree with that. It's not something that people think of when they talk about trade between the two countries, but, as you said, it's a win-win, and we should absolutely count on you to amplify this with your colleagues in the House.

Garnett Genuis: Okay. Thank you.

If none of the witnesses have anything to add, thank you very much.

The Chair: Let's wait for them to complete their answers.

Aidan Gilchrist-Blackwood: I don't have anything to add. I don't have any additional information on the subject, but I too suspect that there would be openness there.

Peter Fonseca: Following up on Garnett's question, what approach would you recommend to the government in taking on an initiative like this with Secretary Rubio?

Elizabeth Kwan: I would hope that team Canada out there—the key ministers and Ambassador Hillman—would hear about this and see it as basically a good bridge over the tensions that exist right now, because it is a win-win situation. They want it. They've wanted it in both administrations, and we now have something that we can put together to offer them.

Stuart Trew: This might be an obvious point to the committee, but I'd also point out that while they may want that, they also want to destroy our auto industry and destroy our steel industry.

As for how impressed they would be by a proposal like that, I just don't know. It sounds to me like we're heading toward some agreement on some basic level of tariff. No matter what it is, it is going to undermine our industrial policy, our industrial sector. These are difficult questions.

I think eagerly co-operating with the United States on this issue, though, is very positive, even outside of the trade negotiations. It might even be better to remove this as a CUSMA issue and to focus on it as something that's good for workers around the world and good for business in Canada.

The Chair: I'm not seeing anybody else with answers, so thank you very much. We had you for an hour and a half, and we very much appreciate it. We normally don't have that much time with our witnesses, so today was exceptional. Thank you all very much.

While the witnesses leave, I will suspend. We'll go into committee business quickly, and then we'll deal with Mr. Chambers' motion.

[Proceedings continue in camera]

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