



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on International Trade

EVIDENCE

NUMBER 007

Monday, October 20, 2025

Chair: Judy A. Sgro



Standing Committee on International Trade

Monday, October 20, 2025

• (1535)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling the meeting to order.

Good afternoon, everyone. I hope everyone had a great Thanksgiving. Welcome back. This is meeting number seven of the Standing Committee on International Trade.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, the committee is resuming its study of Canada and the forthcoming CUSMA review.

We have with us today, as an individual by video conference, Barry Appleton, a professor. From Unifor, we have Lana Payne, national president, and Angelo DiCaro, director, research department. From the Canadian SHIELD Institute, we have Vass Bednar, managing director.

Welcome to you all.

We will start with opening remarks.

Mr. Appleton, go ahead with your opening remarks for up to five minutes, please.

Barry Appleton (Professor, Balsillie School of International Affairs, As an Individual): Good afternoon, Madam Chair and members of the committee.

I am Professor Barry Appleton. I am a trade law expert and professor of international law. I'm the co-director and distinguished senior fellow at the Center for International Law at New York Law School, as well as a scholar and fellow at the Balsillie School of International Affairs in Waterloo, Ontario. I'm also the managing partner of Appleton & Associates International Lawyers LP in Toronto. I advised the Ontario cabinet committee on North American free trade during the initial negotiations of NAFTA. I've written two books on NAFTA and have guided governments on international trade and economic issues over the years. I also gave oral and written testimony to U.S. executive agencies twice this year on trade, and I plan to do so yet again before the year's end.

I appear before you today to address a critical vulnerability in Canada's preparation for the CUSMA review. This is not a routine administrative exercise but the decisive moment for Canada's economic and digital sovereignty.

The U.S. strategy was never hidden. In 2020 Jared Kushner explained that CUSMA's sunset clause was deliberately designed to provide Washington with recurring leverage. It was a "16-year

lease", in his words, not a "permanent" partnership. The full quote is in my brief. I've had it fully translated for you. Mr. Kushner said, "Why lock in today's market rates if you will be able to charge more in the future?" He concluded by saying that "the shortening duration gives the leverage to the stronger party, which, given the relative sizes of our economies, likely will always be the United States." This was in 2020, some five years ago.

Canada, in my view, has been playing the wrong game. Canada must now respond with foresight, not with improvisation. CUSMA is, in essence, a 16-year lease. It's not a permanent treaty. The agreement was designed with a review cycle that advantageously shortens time horizons. Under CUSMA article 34, any party may terminate the agreement on six months' notice. The six-month review cycles lock Canada into uncertainty. A six-month cancellation clause is key. This is leverage by design.

Canada has an institutional disadvantage. Canada enters this review with a structural deficiency in advisory intelligence. The U.S. maintains 15 industry trade advisory committees, or ITACs, that provide security-cleared, sector-specific advice with direct access to negotiating texts. They are comparable to mechanisms in other trade partners of ours—the EU, the U.K., France and Australia. Canada once had parallel capacity through the SAGITs, the sectoral advisory groups on international trade. That machinery was dismantled by various governments over the last 20 years. We now rely on ad hoc consultations that are transparent yet insufficiently technical, confidential or continuous.

Digital sovereignty is my second point. It's inseparable from trade policy. After tariffs, the decisive contest is digital. Silicon Valley declared victory in CUSMA, and they're ready to do so in round two. CUSMA's digital chapter constrains Canada's authority over cross-border data flows, data localization and access to source code and algorithms. In practice, this narrows parliamentary space to govern platforms and cloud infrastructure that increasingly shape our economy and our democracy.

What should Canada do? I'll give you three suggestions.

First, we need to rebuild foresight capacity. Re-establish a legislated advisory system, a Canadian trade and economic security council supported by modern SAGITs with classified access, continuous engagement and balanced representation across industry, labour, indigenous governments, civil society, provinces and security agencies. I wrote a recent paper that is referenced in the brief I filed with the committee today. I also note that the Balsillie School of International Affairs in Waterloo has been partnering with think tanks and public policy schools across Canada to create a supportive trade advisory sectoral secretariat. You can ask me about that in questions, if you're interested.

Second, adopt a whole-of-government strategy. Appoint a trade czar and an innovation czar. Their function would be to coordinate a whole-of-government response and to work with provinces, industry and civil society. We need to take bold action to link economic security, technological governance and industrial strategy with trade.

Third, legislate a digital sovereignty framework. Ensure statutory authority to govern algorithms, data and cloud. I've referenced a paper on this in my brief. I think this is a central priority.

Foundationally, Parliament faces a defining choice: build strategic capacity or keep improvising from weakness. Trade policy without intelligence is guesswork. The window's closing, but it's not over.

• (1540)

I hope I've given you something to think about, and perhaps we'll have an opportunity to talk about this in questions.

Thank you, Madam Chair, for the time.

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

We'll go to Ms. Payne.

Welcome back to our committee. I didn't expect you back here quite so quickly, but we're glad to have you.

Lana Payne (National President, Unifor): Yes, it's very good to be here. Thanks for having me, Madam Chair and members of the committee.

I would say that I agree with the professor's comments. We're in an economic war, and we need an economic war room. That's what he's referring to.

I'm Lana Payne, as you know. I'm the national president of Unifor, Canada's largest private sector union, representing 320,000 workers across this country, including about one-third who work in trade-exposed areas of the economy.

We are nine months into this unprecedented trade war. I would say that I'm here to remind you again that Canada's industrial economy is at risk, and I don't say that lightly. I see it every day in the faces of our members, in the layoff notices they receive and in the plant insecurity that they face.

It's at risk despite CUSMA, which is a trade agreement almost in name only at the moment.

Last week, as you all know, disaster struck auto workers in Ontario. After months and months of false assurances and delay, global automaker Stellantis announced plans to relocate vehicle assembly slotted and negotiated by our union for Brampton at a 3,000-worker facility to the United States. Thousands more are now facing job losses in the supply chain.

This is the latest blow to Canada's 100-year strong auto sector. It follows plans announced by General Motors to move some of its truck production from Oshawa to Indiana in early 2026. All of these moves are designed to appease Donald Trump with our jobs.

If we allow these corporations to shift production to the United States without applying equal pressure to keep production in Canada, the jobs will go. We must play hardball, and we can, because we have the tools and leverage to do so. This shift compounds pressures facing the auto supply industry, the aluminum and steel industry and the forestry industry, which is dealing with crushing softwood lumber duties and, more recently, 232 tariffs from the Trump administration.

Trump's attacks on Canadian industries are happening despite commitments made in writing to the contrary. A bilateral CUSMA trade side deal granting Canadian cars and parts reprieve from the section 232 tariffs, for instance, has been totally ignored by the Trump administration. It was a side letter that they signed, I might add. I raise this example because it begs a question. If Trump's end goal here is to dismantle Canada's industrial sector, what exactly is CUSMA for?

Unifor understands that, at least for now, CUSMA compliance provides a tariff shield for many Canadian exports to the United States. However, as Trump imposes national security tariffs on more and more sectors, the shield is greatly weakened. We should not condition ourselves into thinking that having the best of a slew of bad deals with the United States is somehow good. This would be a mistake and will lead to more lost investment and jobs in our country.

That's why our position as a union has been that we must be willing to use Canada's considerable leverage to fight back. What angers me and should anger all of you is a campaign waged right now by Bay Street to secure CUSMA's survival no matter the cost to our most important industrial sectors. We cannot fall into the trap of thinking that CUSMA is guarding the economy against tariffs, because it is not. The last nine months should teach us that it is not. It is Trump, through his executive orders, who created the carve-out for CUSMA, and he can remove this at any time.

I think we can agree that the U.S. President telegraphs his moves by short-term thinking, self-interest, gaining the upper hand and, of course, furthering his own leverage. In what scenario, then, must the U.S. offer a full endorsement of CUSMA next summer? Will they? We must ask ourselves that.

• (1545)

In fact, the scenario is very real that we may face more extortion and more losses to our industrial economy. It's possible that Trump even triggers CUSMA's six-month termination clause. It's also possible that the U.S. opts not to renew CUSMA in July, starting a 10-year countdown clock to the deal's elimination.

We need to be honest with ourselves about what our priorities must be. We must work towards a new CUSMA deal that better regulates trade, but not a deal at any cost and not a deal that sacrifices the industrial economy of our country. We don't need a trade deal that's right for Bay Street. We need a trade relationship that's right for working people.

Formulating a CUSMA strategy means a full-scale defence of our industrial economy, and that includes workers' rights. It involves Canada communicating red lines in key industrial sectors. It means telling folks like Howard Lutnick that, no, our auto industry is not yours to take, and, yes, America does need our resources. It does need our aluminum. It does need our energy, and it does need our lumber. Canada has great leverage, including in strategic resources like aluminum, energy and potash. We shouldn't strike deals that give the U.S. unconditional access to these resources, and if the right CUSMA deal isn't to be had, then we have to prepare ourselves to reject its renewal ourselves.

Yes, we will also need to make bold plays because that is what you do during negotiations. We have to ask what's truly important for this country—building things that add value or serving as a storehouse of resources for the United States. Which side are we indeed on? I think we can all agree that we must be on the side of working people here.

Thank you very much. I'm happy to answer any questions.

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

Ms. Bednar, you have the floor for up to five minutes.

Vass Bednar (Managing Director, The Canadian SHIELD Institute): Thank you, Madam Chair and members of the committee.

Thank you also, Lana, for your remarks, and Barry.

My name is Vass Bednar. I'm the managing director of the Canadian SHIELD Institute for public policy, a new policy studio that's focused on strengthening Canada's economic sovereignty—our ability to produce, to govern and to know on our own terms.

Incidentally, I'm also a co-author of *The Big Fix: How Companies Capture Markets and Harm Canadians*, which means I'm always happy to talk about policy as marketcraft, because that's what public policy does. It helps us to govern markets.

The framing that I'd like to offer the committee today is that sovereignty begins with freedom of thought.

Trade policy isn't just about goods and tariffs anymore. It's about the governance of knowledge. When we have situations where algorithms are determining prices, foreign firms are hosting our data, and proprietary software is mediating communication and consumption, the question for us becomes, whose systems are shaping how we know, decide and compete? That's epistemic sovereignty, the freedom of thought in a digital economy.

It's the right of a country and its citizens to maintain their own cognitive and regulatory independence to be able to audit, to verify and to understand the tools and information structures that govern citizens and markets. At present, as I believe you know, Canada has little of it. Why is that?

Partially it's because legacy trade rules now limit our ability to think and govern freely. CUSMA and similar trade agreements were drafted just before this reality really set in for Canada. As Barry emphasized, the digital trade chapter locks in cross-border data flows and prohibits data residency mandates. This prevents governments like ours from requiring access to source code or algorithmic logic. They even bar duties on electronic transmissions, blocking the fiscal tools needed to tax digital services fairly.

These clauses are technical. They have profound constitutional effects. They mean that Canada cannot fully investigate, audit or even understand the algorithmic systems shaping our markets and public sphere without potentially violating trade rules.

We have, effectively, ceded this right to know, and that increasingly translates into the right to self-govern. That's the opposite of epistemic sovereignty. This next CUSMA review, to the extent that we'll truly and fully have one, is a real chance to reclaim that policy space.

Canada could treat, should treat, the digital trade chapter as a foundational element of our future. We must secure clear, unambiguous language within any new agreement, text specifically in the core articles or reservations that explicitly preserves Canada's unqualified right to engage in policies that promote and secure national security and personal data protection, algorithmic transparency and auditability, and domestic authority over sovereign digital infrastructure from cloud compute to AI oversight. These are the conditions for trust, security and fair competition.

Our exposure runs a little deeper than regulation. Canada's communications and payments, and other systems.... Our stacks rely on U.S. infrastructure providers, at nearly every layer, verification, hosting and transaction networks alike. These interdependencies create a kind of soft capture. Canada is technically independent but operationally dependent. Maybe we're independent on paper. I think we saw that with the outage this morning.

The goal should be governable interdependence. We need the ability to act, innovate and secure ourselves within one coherent, lawful Canadian economy. Something else, as we think about what Canada can do from a policy perspective that's complementary to the trade review, other than me getting an exercise band for my glasses when I look down, is that we should amend Canada's Income Tax Act to broaden the definition of "permanent establishment". This would mean it would apply to situations where an entity has a significant digital presence; thus, establishing the necessary tax nexus that we still don't have.

I'll echo Barry and state that, yes, we also need to rebuild trade, intelligence and epistemic capacity. The last time we faced a major trade reset during FTA and NAFTA, we built the SAGITs. They had a lot of merit. They gave policy-makers structured access to expertise across industries, labour and academe. We need that kind of infrastructure again, but for the digital era.

A modern SAGIT system could integrate technologists, academic experts and economists, ensuring that Canada negotiates from a position of knowledge sovereignty and not asymmetry. As many have argued, Canada desperately needs a modernized national economic council, an institutional home for long-term, cross-sector strategy that restores our capacity to think and act for ourselves in a 21st-century economy. Otherwise, we're going to keep importing foreign assumptions about how our markets should work.

• (1550)

I'll wrap up by saying that the sovereignty fights of our past, and Canada has a very interesting and important history with that word, tended to be about borders or factories. However, the sovereignty fight of our future is about freedom of thought—the right to design, regulate and understand these systems that are governing our everyday lives. This review is a chance to restore and reassert Canada's epistemic and economic sovereignty to ensure that, in the digital age, we remain the authors of our rules.

I look forward to the discussion. I'll be making a more fulsome brief to the committee.

• (1555)

The Chair: Thank you very much.

We will go now to our members, and we will go to the new father we have at the table.

Mr. Mantle, congratulations from all of us, as a committee, on the birth of your first baby girl.

Some hon. members: Hear, hear!

The Chair: I suspect that, when you come to committee, you'll have to take this bit of time to rest a little. You probably won't get much otherwise.

Jacob Mantle (York—Durham, CPC): No. There's too much to do for the next generation, Madam Chair.

Thank you all for the kind congratulations.

My questions are initially for you, Mr. Appleton. You described Canada's current approach as "the delusional belief that good intentions and polite dialogue will somehow protect our...daily trade relationship". Is the current government's approach based on "hopium"?

Barry Appleton: Thank you for your question.

It's sometimes difficult to get outside the wonderful things that you write in your op-eds. Yes, I worry about "hopium", the belief that we're playing a game that we can deal with, just like I hope for the Blue Jays, but I just don't know. However, the Blue Jays have a better chance right now than we do in trade, and the reason is that we're playing the wrong game. We're playing a game in which we believe the Americans are going to follow the rules that we worked on with them for so many years.

We built something together, but no longer do we have trade monogamy. We have something that's transactional, and this is "whatever is good was last night". That's what's going on. There's no marital therapy. We have no dispute resolution, no way of making this work, so we need to really rethink this.

The one difference I have with Ms. Payne—and only one that I want to point out—is that chapter 34 doesn't mean we have to wait until the end of the CUSMA review for CUSMA to be ended. CUSMA could end at any point. The President can end it. There are some constitutional issues. I've been having discussions with my constitutional colleagues at the New York Law School as to whether it's appropriate for the President to do it. However, the President ended the treaty with India without going to Congress, and I suspect that he would end the treaty with Canada also without going to Congress. Maybe we'll go to the courts, but we would be stuck for six months or with no treaty.

I don't think we're prepared, and that's what I worry about. I have given specific suggestions, in my brief and in other writings, as to what we can do to do better. I am an optimist. I think we can do better, and I think this committee can make a big difference. That's why I'm here.

Jacob Mantle: Thank you, Mr. Appleton.

To pick up on some of your further writings, you describe Canadian negotiators arriving with “fragmented notes”, while American negotiators arrived with “sharpened strategies”. In fairness to our negotiators, you do explain, in some of your writings, that this is the result of 10 years of not having sufficient institutional capacity.

If I can summarize your approach under the current government, you said it lacks “routine, structured and ongoing engagement”. It has “slower responses, fragmented input and gaps in practical knowledge”, so that “US negotiators consistently entered [the room] with more substantial leverage”, and that leaves “critical gaps in negotiation preparedness”.

Mr. Appleton, given that, is it your view that Canada, under the current approach, is unprepared for the CUSMA review?

Barry Appleton: Simply, yes, we are unprepared. The reason is that we're tying one arm or two arms behind our back. The Americans have a thousand people available in these ITACs, waiting for them, able to advise on drafts as they go along and to give real, meaningful, committed types of focused information. We gave that up over 20 years ago, and that is not what we need to do to be prepared.

I note that public policy schools across this country, working with the Balsillie school, are trying to create capacity building right now to help give us that, but the government has to take the offer. We can give a handout, but they have to give their hand back if they want to do this. I don't know why we would not be doing that and why we'd walk in with less precise information and capacity. That is exactly the way to failure, and we can't let that happen if we want to succeed in the oncoming negotiations.

Jacob Mantle: Ms. Bednar, I have a question for you in a similar vein.

In your writings, you've suggested that our current consultation approach is being co-opted by companies that, although they appear Canadian, are, in fact, foreign because they are located elsewhere and their CEOs are beholden to other jurisdictions. You describe it as an untrustworthy approach.

My question to you is this: Is it your view that the current government's approach to the CUSMA consultation is untrustworthy?

• (1600)

Vass Bednar: It's not my position that the current approach is untrustworthy, but I think we're in a new paradigm where we have to take that advice with the grain of salt that it deserves. I resent and feel annoyed by the fact that large, foreign multinationals—and not just the largest companies in the United States of America but the largest companies in the world—can be shielded by certain councils and advisory groups that they embed themselves in while they're also doing their own lobbying. I worry that a form of capture happens where these groups aren't able to reflect Canada's best interests but are diluted by those other voices that are running a full-court press on us.

Jacob Mantle: Thank you.

I have one last question for Ms. Payne.

You raised the issue of our economic industrial capacity being at risk, and, of course, you mentioned the issue with Stellantis that has arisen.

Is Unifor aware of whether the government has received from Stellantis any commitment to maintain jobs in Canada for the billions of dollars that it provided that company?

Lana Payne: I was part of an effort to try to get investment in the auto industry during that time. Our push was that there needed to be strings attached, obviously, to subsidies or support to attract that investment, and that those strings attached were jobs.

Jacob Mantle: Are you aware of that commitment or not?

Lana Payne: No, I haven't seen the written contracts. Nobody has seen them. What I will say to you is that we were very clear that the government, in its negotiation with Stellantis at that time, needed to make sure they were fighting to have jobs attached to those commitments. I believe you've seen the letter that Minister Joly wrote to Stellantis last week, which is exactly the kind of response we need right now from our government to push back hard against corporations who think, in this moment, they can shift production south of the border. We need to use every lever we have, including the fact that they received government funding to support Brampton, Windsor and the battery plant, to leverage that to make sure we're keeping production and jobs in Canada.

We need more of that, please.

The Chair: Thank you, Ms. Payne.

Madame Lapointe, go ahead for six minutes.

[*Translation*]

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

I would like to welcome the witnesses. Their comments so far have been very informative. They really strike a chord with me.

Mr. Appleton, you spoke earlier about the government's strategy. You said that bold measures were needed. I would like to hear your comments on this and on legislating digital trade.

[English]

Barry Appleton: I thank you for your question.

First, let's talk for a moment about digital sovereignty and then I'll talk about the "bold" of what we need to do because they go together.

The most important thing I can say about digital sovereignty is that, foundationally, a country that does not have a policy, that cannot act and does not act to be able to control what we feel, how we act and what we see, is not governing. The foundation of sovereignty is the need to govern. When we don't do that, either because we have not enacted laws or because we have decided not to enact laws, that area is a vacuum and is taken up by others. In essence, we become colonized and we lose our rights. That is very problematic.

The interdependence and the interconnectedness we saw today with the outage was a good example. In Canada, the Canadian companies are affected by American cloud companies. We are affected by them not only in this way—in this interconnectedness—but also with respect to U.S. laws that govern what goes on with Canadian data. As a Canadian, I find that very troubling and very problematic.

The problem is that now in the trade negotiations, this has become a very important issue. After tariffs, the focus is trade. If you look at the terms in the fine print of the EU-U.S. deal, one-quarter of the terms is about digital. We have to be ready for that and I am afraid that we're not. I've written a paper on this. I've put it in the brief. It's called "Code Before Clause". We must have our own code and our own approaches before we negotiate the digital ones, or we will find ourselves in terrible trouble.

With respect to a bold strategy, one of the most important things we can do is understand that we need to go outside of the old approaches of governments. We need not only to have whole-of-government, but to go outside to work with our provinces, our partners in the innovation community, the business community and the labour community. We must go far outside. For that I am calling for a trade czar or a high commissioner—someone who would be able to bring that together. We need a high commissioner for innovation as well. It's the two things.

I'm talking about exactly what Ms. Bednar has been talking about today. We need to do that. If we are going to succeed, we must understand that there is a new game. Think about how to deal with that boldly, but we need to have everything going with us inside. We have the capabilities, but we're not using them. That is my greatest concern.

I have spent the last three months and will spend the next three months not teaching in New York but working here in Canada to do capacity building inside Canada with anybody who will ask, so that

we can build more, do more and be able to respond better to these very significant threats.

• (1605)

[Translation]

Linda Lapointe: Thank you. That's quite helpful.

I would now like to speak to Ms. Payne from Unifor.

I represent the constituency of Rivière-des-Mille-Îles, in the Basses-Laurentides region. We used to have a General Motors plant in Sainte-Thérèse. We now have a Nova Bus plant and a PACCAR plant. As you know, we're affected by everything going on.

You said that Ms. Joly did indeed respond to these companies in her letter. You didn't talk much about the digital aspect. With an eye towards following the example of the Americans with their Buy American Act, do you have any suggestions for the "buy Canadian" policy?

[English]

Lana Payne: Thank you for raising Paccar. As you are probably all aware, we received another executive order on Friday night from the United States on section 232 dealing with heavy-duty trucks and buses. This has another impact on the broader auto industry but also on the buses and heavy trucks that we build in Quebec.

The impact of what Donald Trump is doing right now is broadening with every single new section 232 attack on Canada. In addition to buying Canadian, we don't have a choice right now. We have to buy Canadian. We have to build Canadian. We need nation-building projects, but we also need to make sure that, if we're building transit in this country, we're using the manufacturing facilities in Canada to build that transit. We should be building trains in Thunder Bay, not having them go to an American contractor like Siemens. Why would we do that in this moment?

The same thing is true of municipalities across Canada. They must work very hard to make sure that their buses are being built in facilities we have here in Canada. There needs to be a coordinated strategy to make that happen. We can't leave any of this to chance, but all of that still will not be enough. There's only so much we can do through government procurement. We need to also have corporations in Canada acting as patriots as well and making sure they also have a buy-Canadian approach to what it is that they do and what it is they're purchasing. We could make a very big difference in the short term with this kind of approach.

We need to do that, of course. In the meantime, we also have to use leverage to try to make sure that we are protecting our industrial economy in the moment we're in. I can tell you that every single day our union is dealing with decisions that have been made at boardroom tables, because these corporations are trying to figure out how to mitigate these tariffs at the moment. They're only feeling pressure from one side, and that's from Donald Trump to shift those jobs south of the border. We have to do what we can here in Canada, using the levers that we have and the tools that we have, to make sure they're feeling pressure from the other side.

The Chair: Thank you very much.

Next we have Monsieur Savard-Tremblay for six minutes.

[Translation]

Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot—Acton, BQ): Thank you, Madam Chair.

I want to thank the witnesses for joining us and for their remarks.

Ms. Payne, we heard Mr. Appleton speak earlier about transparency and consultation issues.

With regard to the workers in your union, do you feel the same way? When it comes to agreements that affect jobs, if anyone should be consulted, it should be you, I would imagine.

• (1610)

[English]

Lana Payne: I think the challenge we have right now is that everyone is feeling that they need a place to be able to help and to be part of what I would call a coordinated team-Canada approach. The structures that the professor was talking about have been dismantled over a long period of time. It's not going to be easy to get that kind of system back together, but what I can say to you is that there is no time like the present to work on it.

Where I would start would be in the sectors that are under immediate attack, and those are the 232 sectors: steel; aluminum; auto; forestry, which just got the most recent one; and now, of course, the heavy-duty trucks. These are the priorities. We can do something by bringing everyone together around that. Information is knowledge, and it's important to have that knowledge when you're fighting at a negotiating table. It's a team approach, and we need to do that.

Whatever we can do to make sure that people are being consulted and that you're getting the information in real time is critically important right now. I deal with some of the largest corporations on the planet, many of them operating in the United States. Some of them are now trying to also put pressure on the White House to have a different approach to trade. Knowing what these companies are doing and how that can also help us in our positioning is very important right now. We do have friends as well south of the border who would like to see a better trading system, so we need to lean into that.

[Translation]

Simon-Pierre Savard-Tremblay: Does this whole negotiation process lack transparency?

[English]

Lana Payne: Yes. What I would say is that we understand, as a union that negotiates, that certain parts of negotiations have to occur in certain ways. That means that there have to be these kinds of conversations that would happen between our Prime Minister and the President, and, yes, all of Canada can't be in the room when that's going on. At the same time, there is support for a negotiating position, and the stronger we can be in terms of having all of the players be part of that is critically important. I would say, yes, there is room to improve there for sure.

[Translation]

Simon-Pierre Savard-Tremblay: To resolve this transparency issue, my political party introduced a bill to strengthen parliamentary oversight and control of trade agreements. We proposed that the first step be committee studies on the agreements, not just studies on an implementation bill that leaves little room for changes or amendments. We also proposed that a minimum period between the introduction and adoption of an agreement be legally enforced, and that the agreement not be signed without the approval of parliamentarians.

In your opinion, are these good potential solutions?

[English]

Lana Payne: Right now we're in a different time. In a traditional world, I would say to you we would probably take this approach, but the world is now upside down and every day we are facing a renewed attack, a renewed threat and a renewed challenge to what it is we're building in Canada and how our economy is operating.

In that time and in that space, that means we have to be able to react quickly as a country. It also means that at some point in time we have to understand there's going to be a line drawn in the sand. For us as a union, that happened last week when Stellantis made the decision it made.

We cannot carry on conversation after conversation and negotiation after negotiation and allow our economy to unravel and lose production. At some point, we have to say, "Okay, this is it. Enough is enough." We're getting close to that point. We have a lot to protect here. We have hundreds of thousands of workers depending on us to get this right. The focus needs to be on making sure we're getting it right as opposed to the mechanics of how we deal with it after a deal is done.

[Translation]

Simon-Pierre Savard-Tremblay: I find your comments surprising. I believe that democracy has its rights. I believe that, even if we can respond quickly, we shouldn't sign blank checks. Moreover, all the interests represented and elected officials in a parliament should still have greater control over decision making.

I must admit that I'm surprised by your response here. You yourself are involved in negotiations. I understand that you can't disclose everything. However, you're undoubtedly the first to recognize the need to have your members' interests represented. I'm sure of this.

• (1615)

[*English*]

Lana Payne: Yes, I'm not saying that there wouldn't be a democratic process to deal with things. I just think we have to recognize in this moment that we may have to make a decision very quickly. Honestly, it's to a point where I wish people could focus on what it is I'm having to deal with on a daily basis, which is people losing their jobs. We have forestry plants and mills that don't know if they're going to survive the month. We have auto jobs being shifted south of the border. This is where I would like Parliament to debate these things. This should be the focus of what our elected MPs are concerned about right now. Canadians are experiencing job losses. The anxiety that so many of our members have experienced since February is that they go to work every day not knowing if their plant is going to be open next week. That is where I want to see the focus.

Yes, if we get to a point where there is something that is negotiated, that absolutely has to go to Parliament, and there needs to be a review and it needs to be ratified the same way we ratify collective agreements in many ways. Right now, the focus absolutely has to be on what it is that's happening in our economy and what working people are experiencing in this moment.

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

We'll go to Mr. Jeneroux for five minutes.

Matt Jeneroux (Edmonton Riverbend, CPC): Thank you, Madam Chair.

Thank you to the witnesses for being here. Mr. DiCaro and Ms. Payne, thank you. You're regulars at the committee; we should get you regular seats here.

Ms. Bednar and Mr. Appleton, thank you as well.

I will start with you, Mr. Appleton, if that's all right.

My first question for you was going to be whether we are prepared. I think you answered that pretty solidly in some of the other testimony you gave. Minister LeBlanc was here a few weeks ago and he was absolutely certain we were prepared. I'll give you the opportunity to counter what he said.

In addition to that, is it too late for us now? There have been heavy negotiations happening over the last few weeks. Can you elaborate on some of that?

Barry Appleton: Thank you for your question.

Look, Minister Leblanc has a very difficult job. Having said that—and I've known Minister Leblanc for many years—I do not believe that we have equipped ourselves to be ready for the intensity, the focus and the nature of these negotiations, but I believe it's not too late.

The best time to plant a tree was 20 years ago. The next best time is today, but it's going to be too late. The Boy Scouts always say to be prepared, but we're not prepared. That's where I disagree.

I had the opportunity to meet with some of our trade negotiators at the embassy in Washington. They are very able and they are working very hard, but they do not have the resources they need and they do not have the capacity they need. As a government, we're not doing it. There are mistakes along the way that are not from one government. They're from many governments and they accumulate. We've never fought this type of storm. This is not just a once-in-a-century storm. This has changed foundationally everything that we believed, and we were not ready for it.

My problem is that if you listen to Jared Kushner... Look, in the Middle East, they've been listening to Jared Kushner. He just got the deal. The President listened to Jared Kushner. He told us what this deal was about. He told us the nature of the negotiating tactics they used. That's exactly what they used in the Middle East. It's exactly what they're using with us, and I don't believe we're prepared for that.

It's very difficult for everybody who's in the section 232 sectors. It's very difficult.

Foundationally, what are we going to do when the President decides that he's going to put more leverage on Canada by cancelling CUSMA or just signalling that he's going to cancel CUSMA? That's enough. Look at what will happen to the markets and look what will happen.... We have not made ourselves enough robustness and enough capacity to be able to deal with that.

The good news is that it's like an economic war, and everybody should come to the aid of the country. We can do that.

Right now, I don't think we're ready.

• (1620)

Matt Jeneroux: I was prepared to just let you go for the full five minutes.

Barry Appleton: I'm sorry. I didn't want to eat your time.

Matt Jeneroux: That's fair.

Things like the DST—the digital sales tax—when they're put forward, that sends the wrong message. Do you agree, yes or no?

Barry Appleton: For sure it does because it was a sign of weakness. Foundationally, the trade provisions on digital trade are not used to propel and aid Canada. They're used to weaken us. That's why it's so important that we think about this. This is the difference in a new economy and these provisions. It used to be that we looked at these provisions to give us more access. They've been giving us less. That's why we need to have a policy before we go there and not sign things before we've thought about it.

Matt Jeneroux: Great. Thanks for that answer.

Ms. Bednar had a proposal of a national economic council. I was curious to hear your thoughts in terms of weighing in on that.

I get a little bit nervous when you say things about the government creating things like trade czars and innovation czars, only because those things seem to never go away. They create lives of their own, and then we have more and more bureaucracy that generates those.

I'm curious as to your thoughts on the economic council. If we have time, I wouldn't mind Ms. Bednar weighing in on the trade czar and innovation czar piece.

Barry Appleton: I'll be very quick.

The idea is not to add more bureaucracy, but to add more capacity at a very specific time. It's like when you call the Coast Guard out. You need them to be able to do search and rescue—you need to deal with it right away—and then they go back. That would be the idea here.

We are in a period of national emergency. We need to be able to bring more to bear and use capacities that are broader and bigger than what we're doing now. We need the types of people who can bring those skills in. My idea about an innovation czar is to take exactly the types of things that we would use to keep our economy going and think through new strategies. The flip side of the trade czar is to be able to use those types of things and the knowledge and ideas to get better at that.

The Chair: Thank you very much.

We'll go on to Mr. Lavoie, please, for five minutes.

[Translation]

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

Mr. Appleton, in your opening remarks, you spoke about three solutions. I would like to discuss these further, since we touched on them briefly. You referred to a pan-Canadian government strategy. I'm trying to make the connection between this strategy and the new government's decision to remove barriers to interprovincial trade, a key part of its approach.

Is there a connection between the two?

[English]

Barry Appleton: Mr. Lavoie, I had the privilege of being part of the negotiation team to bring us the agreement on internal trade, and I was involved in the first case in Canada to have internal trade barriers struck down. I'm a strong believer in reducing internal trade barriers.

If there's no interpretation, I can wait.

The Chair: Is it all right now?

Continue, Mr. Appleton.

Barry Appleton: Do I need to repeat what I said before?

The Chair: At what point did the interpretation stop?

[Translation]

Steeve Lavoie: It was very weak from the start. We could hardly hear the answer.

[English]

The Chair: I think you'll have to start at the beginning, Mr. Appleton.

Barry Appleton: I'll try to be as quick as I can. I'm mindful of the time.

Mr. Lavoie, I was part of the team that helped negotiate the agreement on internal trade in Canada and brought the first case against internal trade barriers that struck a trade barrier down. This is very important to me generally, but it's not part of the strategy because foundationally the benefit is [Technical difficulty—Editor] country and important to us as a matter of making our country more efficient. We still have a battle on an international trade side, and that's the part that I worry about.

What I've been focusing on today—

The Chair: Mr. Appleton, hold on.

I'm sorry. Your information is very valuable, and we continue to have interpretation problems.

Can you start to speak again?

Barry Appleton: From the top...?

• (1625)

The Chair: Take it from the middle.

We may invite you back another time because your information is so critical.

Barry Appleton: I thank you, Madam Chair. I'll do the best I can.

What I was saying was that there are significant benefits to Canada as a country in being able to have internal commerce work in a very significant way. Our battle right now is with the United States and, while that gives us a little bit more innovation and a bit more in terms of productivity, it doesn't move the needle to the extent that we need to do that. What we need to do is be able to deal with very significant structural trade dependents.

That's a very big problem because, in many ways, it was too good for us for so long that we didn't do the type of innovation and diversification that we needed to do. Now, not only do we have that, but we're not buying Canadian. I've written a paper on that recently, and you can see that on the CIGI website. You can see that we are not focusing in on the sectors that we need to focus on and the information that we need, so we're being out-gunned. That is a choice that we're making, and we should not do that. This committee can make a difference now to help us do better.

That's what I'm trying to say.

[Translation]

Steeve Lavoie: We still have the view at 30,000 feet. One question keeps popping into my head. You said that predictability was good for a long time, but has it disappeared for the next 10 to 15 years? Will we need to learn to live with this unpredictability and move forward anyway?

[English]

Barry Appleton: Mr. Lavoie, you need to invite me back to the committee. I gave a wonderful speech to the New York City Bar on this topic last March.

The rule of law has been replaced by the rule of whim. I don't have a good word in French for that, so I'll leave it to the interpreters.

At the end of the day, we can't predict weather, and we can't predict what's going to take place. Everything is based on a tweet on Truth Social. Our problem is that we need to understand that it's about leverage. It's about a different type of policy, a different type of approach, and we're still playing the old game.

That's where I differ with the honourable minister, because he's doing a job working on the old game, and I understand why. At the same time, we must also be preparing a strategy for the new game, and I fear that we are not doing that. I especially fear that we are missing out on the innovation economy, which is at the heart of our economy today across this country. I fear that we will lose that because we're not prepared for that, and that would be a terrible tragedy.

The Chair: Thank you very much.

Mr. Savard-Tremblay, you have two minutes.

[Translation]

Simon-Pierre Savard-Tremblay: Mr. Appleton, I want to continue our earlier discussion. You were talking about consultation mechanisms. Do you think that other aspects of transparency should be implemented?

[English]

Barry Appleton: Absolutely. I think the level of consultation that we have is insufficient and inadequate. We should be having much more significant information from the government about what they're looking for, and we should have proposals from the government to have more meaningful consultation. You can have consultation, and you can have meaningful consultation. I think we have some consultation, but we don't have meaningful consultation. We should be engaging more with members of Parliament, members of this committee and the provinces about the process—and with civil society groups as well. That's one of the factors that would be taken up by strategic advisory groups, but not the only one.

I think there should be more, not less. It's essential for the government to do that, because we are in a battle and we need to consult with Canadians more because of the battle, not less.

The Chair: We have 50 seconds remaining.

We have our next panel. It's difficult, because the information is so important. If we want to squeeze two minutes off the other panel, we'll do two minutes for you and two minutes for Peter.

Adam Chambers (Simcoe North, CPC): Perfect. Thank you, Madam Chair.

We don't have a lot of time. This committee makes recommendations to the government. I'm going to ask a couple of quick questions.

Ms. Payne, would you recommend that the government remove tariffs on Chinese electric vehicles?

Lana Payne: No.

Adam Chambers: Mr. Appleton, you would recommend, I take it, the reintroduction of some version of the modernized version of SAGITs. Is that correct?

Barry Appleton: Yes.

Adam Chambers: Ms. Bednar, you mentioned that sometimes there could be some version of capture in negotiations, or in the submissions process or the consultations. Would you recommend more transparency on the submissions that the government receives from industry associations and private sector participants?

• (1630)

Vass Bednar: Yes.

Adam Chambers: Thank you very much.

Thanks, Madam Chair.

The Chair: Peter.

Peter Fonseca (Mississauga East—Cooksville, Lib.): Thank you, Madam Chair.

Thank you to our witnesses for the bold testimony that we've heard here today. You have all said that this is like no other negotiation we've ever seen before. What is happening is extraordinary. I want to thank Ms. Payne, Mr. DiCaro and others here for standing up for Canadians, for standing up for labour and for our workers.

Our approach has been a team Canada approach. It's labour. It's business. It's government. It's all levels of government. You brought up municipal, provincial and federal working together. This is the approach we've taken. It has worked well for us in the past. What tweaks, what changes, need to be made for this strategy to have a bigger impact and to get us the results that we're looking for?

What approach are you looking for so that we can get the best deal for Canada and Canadians?

I'll direct this to Ms. Payne.

Lana Payne: I think you've heard it here all day. You've heard it from the professor and you heard it from me that we need to have a coordinated strategy. We need tables where that happens, and it has to be meaningful and real. While I, as president of a powerful union, might be able to get my point of view across, that doesn't mean that everybody can. We need to make sure that we're creating the structures and the spaces in order to accumulate the best information we can possibly have to help our negotiators. We don't know what we don't know, and there is a lot of information, a lot of intel, out there that I believe can and will help us be more strategic in what we're trying to achieve. We also need to make sure that people are in the loop as much as we can. That absolutely has to happen. Industry, labour, government and obviously all of us academics have to work together to get what can be a very good result for Canada.

Peter Fonseca: Thank you.

The Chair: Thank you so much to all of our witnesses for that very valuable information.

I will suspend momentarily.

• (1630) _____ (Pause) _____

• (1635)

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

We have with us now for the remaining hour, as an individual, Anna Zalik, professor, York University, by video conference. From the Canadian Vehicle Manufacturers' Association, we have Brian Kingston, president and chief executive officer.

We're glad to have you here, especially today.

From Linamar Corporation, we have Linda Hasenfratz, executive chair.

Welcome to all of you for being with us today. We appreciate that very much.

Professor Zalik, would you like to go first, please, with your opening comments for up to five minutes?

Anna Zalik (Professor, York University, As an Individual): Thank you very much to the chair of the committee for the invitation to present insights here and to the clerks and technological staff for their assistance.

I'm a professor at York University in Toronto. Over the past 20 years, my research has concerned the geopolitics of the oil industry, with extensive field research in oil-producing regions in Mexico, Nigeria and western Canada.

I'm originally from Alberta. I studied at the University of Alberta and subsequently at Cornell University in New York state, and I was a post-doc at the University of California, Berkeley, before assuming a full-time position at York University in 2007.

Over the last decade and a half, a significant part of my research has concerned Canadian investment in the restructured Mexican energy sector, a restructuring brought about by the 2013 constitutional reform in Mexico.

I presented at this committee in June 2024, at the end of the Mexican leg of a course on the CUSMA agreement, but the continental dynamics have clearly changed considerably in that one-and-a-half-year period, and some of the cautions I suggested then with regard to Mexican energy sovereignty now apply equally to Canada, if not more so. I think you heard some similar cautions from previous speakers.

Given the nature of the times, it is also essential, I think, to be far more explicit today than I was in my previous remarks, as the rule of law internationally and increasingly domestically in our southern neighbour, the United States, is withering away alongside diplomatic norms.

While then I recommended extending the rapid response mechanism and labour provisions of the CUSMA to Canada and the United States, I also suggested raising the bar on environmental protections across the three CUSMA borders, and I suggested changing practices to ensure that states like Canada were protected from litigation should they seek to implement more stringent climate policy. I also called for ridding the CUSMA agreement of the vestiges of

investor-state arbitration as it applies to the Mexican energy sector and noted that the Coalition of Trade Ministers on Climate has called for similar measures.

Now, while I still would agree with these matters today, I frankly no longer see a rushed renegotiation of this agreement. Granted, at the time, I also had concerns, but I certainly do not now consider it to be in Canada's interest. As I imagine you know, on Friday, the United States scuttled the International Maritime Organization agreement aimed at reducing emissions in the shipping sector, and they did so reportedly in the most undiplomatic of forms.

Trump has implemented tariffs on Canadian goods under section 232, which I know you will have heard about from Unifor, and under the IEEPA. The latter had been formally struck down as illegal, as I imagine you know, in U.S. federal courts, and now Trump is appealing this to the Supreme Court. However, the section 232 tariffs have already had devastating consequences for Canadian jobs in the steel and automotive sectors.

Our government seems to be caving on all manner of issues to Trump's agenda, the most egregious ones including the border security bill, which may violate Canada's Charter of Rights and Freedoms, and the rescinding of the digital services tax, something [*Technical difficulty—Editor*] negotiating tactic in this CUSMA renegotiation.

I'm particularly concerned with the apparent closed-door negotiations on energy, including the Keystone XL pipeline, which a Toronto Star journalist recently described as the "zombie pipeline" that seems to be able to rise from the dead. The current government seems to be employing this a strategy to appease the U.S. President.

TC Energy, formerly TransCanada, has described itself for some years as the single largest Canadian investor in Mexico, but it has also established major offices in Houston, Texas, and two of its senior executives there, who I believe are married, have traded off positions as senior advisers to Trump in the first and now the second Trump presidencies.

TC Energy has built much of the infrastructure that has led to the reversal of Mexican energy sovereignty so that the country is now dependent on U.S. fracked gas to feed its electrical grid. The implications of this gas for the actual greening of emissions are dubious at best and have not been thoroughly studied.

Despite Trump calling out critically that Canada is a net exporter of energy to the United States, the Keystone XL pipeline may be welcomed because the U.S. gulf refineries have spare capacity to process Canadian bitumen and Mexican heavy oil, and transporting these fuels to the American oil heartland would boost American petrochemical jobs, use their fixed capital and retain value-added in the United States rather than allowing for the creation of Canadian jobs through processing these hydrocarbons at home. Canadian-Mexican hydrocarbon exports to the U.S. remain geostrategic for the U.S.

• (1640)

I'm a proponent of looking toward a future beyond oil and gas. Even if I were not, the construction of the Keystone XL pipeline or further pipelines connecting the United States to our energy grid reduces our national options for how to allocate our hydrocarbon resources. We must avoid any agreement around energy that involves Canada committing to either exporting more bitumen or importing hydrocarbons, notably fracked gas and shale oil, from the United States. Either of these would decrease our options to build non-hydrocarbon electricity systems and climate-friendly infrastructure, and our ability to create protected Canadian jobs in a modern green energy sector, which is something that other parts of the world are leading in.

Finally, given that this is the Standing Committee on International Trade, I feel compelled to comment that, as a member of the Jewish Faculty Network, I must state that it is incumbent on the committee to cancel the Canada-Israel Free Trade Agreement until Israel respects the civil rights of Palestinians as guaranteed under international law.

• (1645)

The Chair: Thank you, Professor. I'm so sorry, but you're a minute and a half over.

The members have a lot of questions, so I have to try to keep the speakers confined to under five minutes. Thank you so much.

Mr. Kingston, you have up to five minutes. I'll cut you off then, so the members have time for their questions.

Brian Kingston (President and Chief Executive Officer, Canadian Vehicle Manufacturers' Association): Thank you, Madam Chair.

Honourable members, thank you for having me here again today as part of your study on the CUSMA review.

As we discussed last time, since the Auto Pact of 1965, Canada has reaped enormous economic and social benefits by being part of the integrated North American auto sector. Through common regulation, competitive supports and, most importantly, duty-free trade, we've been able to manufacture and sell into a market that accounts for annual sales of nearly 20 million vehicles. Just last year, Canada exported about \$46.5 billion in vehicles, and 92% of that went to the United States.

It is the CUSMA that's really the foundation for the integrated industry we have today. That agreement provides certainty, reinforces the long-established integration of the auto industry supply chain that is necessary for manufacturers to compete globally, and facili-

tates the regulatory alignment of vehicle technical regulations with the United States. With this upcoming review of CUSMA, we must do everything possible to, first, renew the agreement and restore certainty for companies that make long-term investment decisions, protect our preferential access into the United States and, ultimately, support this integrated supply chain. We've identified three priorities for your consideration here today, as we prepare for this CUSMA review.

The first is obvious. We must remove the section 232 tariffs on the automotive industry and Canada's retaliatory measures. They are doing enormous damage. Right now, through the first 10 months of the year, automakers have paid \$10.6 billion U.S. in tariffs on parts in vehicles that are imported into the United States from Canada and Mexico. That doesn't include steel and aluminum, so the numbers get higher when you look at all the other U.S. tariffs that affect the supply chain.

According to the Center for Automotive Research, that tariff bill is going to hit \$188 billion U.S. in the next three years. That's U.S. manufacturers building cars in the United States, so this will significantly weaken the competitiveness of the industry. It has created this bizarre situation in which, right now, it's more cost-effective to build a car in Japan or Germany and send it into America than to build a car in America. This has to be addressed and reversed.

Second, eliminate the federal EV mandate. It won't surprise you to hear me say this. The EV mandate—the electric vehicle availability standard—prioritizes EV sales over the development of our supply chain. It's a direct challenge to our integration, through CUSMA, with the United States, and our competitiveness as an auto-manufacturing jurisdiction, because it levies punitive costs on companies that don't achieve these arbitrary sales targets the federal government has established. Under the regulation, the vehicles manufactured here today, in Canada, are actually being phased out of the Canadian market by that regulation. It's inexplicable that policy would remain in place, particularly given the challenges we're facing. It must be repealed before the CUSMA review process commences.

Last, third, we must align with the United States on the approach to China. As we mentioned when we appeared here last time, we are strongly supportive of what the government has done with respect to the China surtax order, which levies a 100% tariff on Chinese-manufactured EVs. If we are going to secure a trade agreement with the Americans, we simply cannot be out of step with them on China, and we think that the government should do even more. There should be efforts to ban certain Chinese-connected vehicle software—again, aligned with what the U.S. has done—and to strengthen trade policy and investment authorities to ensure we can be more responsive to anti-subsidy investigations and any national security threats in the EV battery supply chain.

It goes without saying that, regardless of the outcome of the CUSMA review, we also recommend that the federal government move quickly to implement policies to enhance our tax and regulatory competitiveness. They're needed to secure both the existing automotive manufacturing footprint and research operations, but also to allow us to compete into the future. The government has implemented many helpful policies over the past few years, but in many instances we've been very reactive to U.S. policy as opposed to proactively putting forward a framework to make Canada ultracompetitive. Now's the time. Regardless of CUSMA, we need to do that.

• (1650)

The Chair: Thank you, Mr. Kingston.

We go to Ms. Hasenfratz. Welcome to the committee.

Linda Hasenfratz (Executive Chair, Linamar Corporation): Thank you so much. It's great to be here.

I agree with everything that Brian just said. I thought he did a great job.

I'd like to say at the outset just how important I think this agreement is to all three countries in North America. It has brought enormous economic possibilities, as Brian says, to all three countries. I think it's really critical that we successfully renegotiate it.

I do love the idea of encouraging Canadian business to grow more internationally. After all, we have free trade agreements with 56 countries around the world, two-thirds of the world's economy, so we have a great framework for that. However, we cannot not make a deal with the United States. They're the biggest economy in the world. They're on our doorstep. We must come to an agreement with them. I think that's important to know.

I do think we're in a good position going into this negotiation because, despite the things that the U.S. administration says, both Canada and the U.S. have a lot at stake and a lot of reliance on each other right now. We have a pretty balanced trade relationship with the U.S., excluding energy. I'm sure you know that the U.S. actually sells more goods and services to Canada than we do to them. We're the only top five trading partner that they have a surplus of trade with, and that has to matter a lot.

I think it matters, certainly, to the governors. Thirty-six American states have Canada as their number one customer. I know that they're calling on Trump to get a deal done with their most important trading partner, Canada. I do think it's super positive that Trump and Carney have a good relationship. I think that's the foundation of getting a deal done.

The absolute top priority right now should be getting an interim deal ahead of the renegotiation of the agreement to eliminate the 232 tariffs. We can't wait six, eight or nine months to get the tariffs on vehicles, metal and metal derivative products—importantly—dealt with. They're creating an enormous amount of cost, of course, for U.S. businesses and U.S. consumers, but also for Canadian companies that are faced with a decision, as importers of record who take products into the United States, whether to absorb that extra cost or pass it on to customers and potentially lose market share.

I look at the inflation rate in the U.S. right now. It's so much higher than it is in Canada. It's around 50% higher, and it's growing faster. That has to be motivation for the U.S. to come to the table. I think that Canadians too often feel like we're the ones who have everything to lose. I think the U.S. has a lot to lose as well.

One thing that's really critical to understand is that since the inclusion of the 232 metal product derivatives in those that are subject to tariffs, the impact of the 232 tariffs has spread dramatically. You hear the number 85% thrown around a lot—the notion that 85% of exports into the U.S. are going tariff-free. That is no longer the case. There are more than 900 product categories that are deemed to include steel and aluminum. That's only round two of four consultations in the United States. That's only going to grow, so please be aware that the impact is much more broad. Of course, the next priority is to renegotiate the broader agreement when that comes up.

I mentioned a minute ago that there's a lot at stake when it comes to trade agreements with the U.S., and nowhere is that more true, as you've just heard, than in the automotive industry, which of course, is a key focus. At Linamar, it's more than 70% of our sales. I'm sure you've also heard many times about the highly integrated nature of the supply chain in North America, which is really critical to our cost competitiveness. It's a big part of why trade agreements get put in place. It's so that we can consolidate our requirements and become experts at making higher volume product.

In North America, as noted, the supply chain is very integrated. Parts are crossing the border, as I'm sure you've heard, six or seven times in some form or another. I'll give you one example from Linamar. We have a casting we make in Mexico. We ship it up to Canada. We machine it. We bring it into another location in Canada where we assemble it with other parts that we're bringing in from the United States. That bigger assembly then goes down to the U.S. and goes into a transmission. That transmission comes back to Canada and gets put into a car, and some of those cars go back into the U.S. as well, so there are lots of border crossings.

• (1655)

President Trump says that all those border crossings are inefficient, but that couldn't be further from the truth because all of this activity is actually happening within a very small radius of a couple of hundred miles. The fact that there's a border in between is irrelevant. We've had free trade with the U.S. since 1965, so we're all very reliant on each other.

The U.S. has so much at stake right now. Most vehicles built in North America have 40% to 50% North American content. They make, by far, the most vehicles in North America, so as costs go up by, as you heard, billions of dollars, that's going to translate into higher consumer prices. We're going to see volumes go down, and that's going to hurt all of us.

The Chair: Ms. Hasenfratz, I'm so sorry, but I have to stop you because the members have so many questions. It's always a balance.

Mr. McKenzie, go ahead, please, for six minutes.

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

I greatly appreciate the witnesses' time here today and the opportunity to ask some questions.

Ms. Hasenfratz, you're perhaps one of the few in this room who is on a private sector paycheque. Can you describe what efforts you're able to make, in the course of your business, reaching across the border?

There must be as many suppliers and business partners interested in your success and the continued relationship on the U.S. side of the border as there are here in Canada.

Linda Hasenfratz: Of course, we have many suppliers and customers in the U.S., all of whom are equally motivated to see things get back to a lower cost platform.

The problem is, in the U.S., there's a hesitancy to raise their hand and highlight that they're feeling pain and that this is a difficult situation for them. As time goes on and that pain continues to build, it will become more of an imperative to deal with the situation.

David McKenzie: Are you sensing that? Are your American partners speaking to their representatives and elected officials?

Linda Hasenfratz: Yes, I believe they are. They're reluctant to do so in a very public way, but I believe they are doing so in a more private way, where they can try to get their point across.

As noted, billions of dollars are being impacted just in the automotive industry, and with time, these costs will start to take their toll on an already difficult situation. If I look at vehicle production levels in North America today compared to before COVID, we're down about 10% to 15%, and that has nothing to do with tariffs. That was other factors impacting vehicle production levels. When you layer onto that the enormous cost of the tariffs, we're seeing an enormous amount of supplier distress in the U.S.

It's an opportunity, frankly, for us to take over work from those companies or even potentially acquire them, which we've recently done. That kind of distress, when it builds up in the industry, does start to take its toll on the overall production, because you need every piece to make that car. If somebody goes down and you can't retool quickly, it's a problem.

David McKenzie: It's a problem we're about to face more of, I suspect.

Can I ask, without revealing any sensitive information respecting your company, if you are under way with efforts to export more substantially outside of the U.S.?

Linda Hasenfratz: Our strategy at Linamar has always been to produce on the continent on which our customers reside. We make product in North America for customers in North America. We make product in Europe for customers in Europe, and we make product in China or Asia for customers in Asia.

We don't do a lot of shipping back and forth to other countries, not with our automotive components, where the volumes are a lot higher. With some of our industrial products, yes, we are supplying other countries. It has been a big initiative for our agricultural business and our Skyjack business to increase our international sales, and we've been growing our market share accordingly.

• (1700)

David McKenzie: I'm going to ask this question to you first, but then also to our other two witnesses.

What's number one on your list for this government to pursue in respect of a trading relationship with the U.S.?

Linda Hasenfratz: As noted, number one in my mind is to get rid of the section 232 tariffs, not just on metal and metal derivatives, which obviously are the bits that are impacting me, but also on the vehicles, because having a healthy vehicle assembly presence in Canada is critical to our economy.

For every OEM automaker assembly job, there are six or seven jobs that are created to support that, so I feel a little worried that there's a tone that is shifting away from the importance of vehicle assembly. I want to emphasize how critical it is that we keep that, not just for those assembly jobs but for the six or seven other jobs. The impact on Canada economically would be felt for generations if we decided we were going to abandon vehicle assembly. We absolutely should not do that.

David McKenzie: Thank you.

Mr. Kingston, I'll put the same question to you. What is at the top of your list?

Brian Kingston: I fully agree with what Linda has said and would have the same recommendation: the removal of the section 232 tariffs.

David McKenzie: Ms. Zalik, what would top your list?

Anna Zalik: I think we should look at an agreement that raises the bar on labour and environmental standards across all three countries. This is something that the first Trump administration was quite interested in. As I've already noted, our time would be better spent in bilateral negotiations with Mexico and other trading partners than in negotiating at this moment with a very unpredictable U.S. administration.

Thank you.

David McKenzie: Your point is well taken.

I want to ask about the EV mandate. Mr. Kingston, I think you've indicated quite clearly that you believe it should be eliminated. It is not something I've heard very much about from this government.

I live in western Canada, and we have great distances. Ms. Hasenfratz referred to the small circumference of the manufacturing of a lot of motor vehicles, but we go long distances on a regular basis. Have you had any experience talking directly with business people in western Canada about that EV mandate and its impracticalities?

Brian Kingston: Yes, regularly. Using the government's own estimates, we needed 100,000 chargers to be installed this year to meet the government's mandated targets. There are 35,000, so the gap is massive and it grows every single year. To address the concerns people have in western Canada, rural Canada and northern Canada, we need massive amounts of infrastructure, and we're not building at nearly the pace needed to address that concern.

The Chair: Thank you very much.

Mr. Naqvi, go ahead for six minutes, please.

Yasir Naqvi (Ottawa Centre, Lib.): Thanks, Chair.

I'm going to share my time initially with MP O'Rourke, please.

Dominique O'Rourke (Guelph, Lib.): Ms. Hasenfratz, you were at the industry committee this morning, and Linamar, in Guelph, is a Canadian and global success story. You described the strength of the sector this morning and the productivity that exists in the sector. As we engage in our current negotiations and as we prepare for a renegotiation of CUSMA, what should we know in order to negotiate from a position of strength and confidence and with a united front?

Linda Hasenfratz: I talked this morning about all the things I think Canada has to offer right now and that we should be feeling pretty good about. We do a good job of telling ourselves how bad we are all the time when, in fact, that's often not the case.

I talked this morning at the industry committee about the very strong productivity that we see in the manufacturing sector in Canada, which, by the way, has been growing at twice the rate of productivity in the U.S. over the last 15 years. Since 2010, it has grown 13% compared to the U.S.'s productivity growing by 6%—more than double the level of productivity growth.

When I look at our own organization, we have 75 plants around the world, and 29 of them are in Canada. Our most productive facilities by far are in Canada. It is where the vast majority of our investment is going—more than half. Well under half of our plants are here in Canada, but well over half of our investment this year, in 2025, is in our Canadian plants, with our strong, deep teams who have the ability to improve every day like no other plant of ours around the world.

It is important that we all understand that, because it's not just us who are like that. Many people in the manufacturing sector writ more broadly and certainly in the automotive sector, where we have drummed into us the need for lean manufacturing and continuous improvement, have to give 2% price reductions to our customers every single year. Every year, we give 2% back to our customers. Even with that, over the last 10 years, between 2014 and 2024, Linamar increased our productivity—our value-added sales per employee—by 54%. That is a 54% increase even after we gave 2% back to our customers every single year.

That's the kind of productivity that we have in Canada, and it's something we should all feel really proud of and know that we have a base we can build on internationally.

• (1705)

Yasir Naqvi: Thank you very much.

How much time do I have, Chair?

The Chair: You have three minutes.

Yasir Naqvi: Thank you to all the presenters. It is a really important conversation.

In the panel before you, I heard the lament in everybody's voice that we had such a great trading relationship with the Americans and that it's all in disarray, and we're all trying to salvage it as we move forward. We will do that, of course. I am of the view that the relationship has structurally changed, not just for this administration but beyond. Of course we have to manage that.

I also want to get your thoughts looking forward. What are the opportunities for Canada and Canadian manufacturers, whether it's in auto or other sectors, when it comes to other parts of the world? I think it is extremely important that we look beyond our relationship with the United States to see how well we can do in other places.

Ms. Hasenfratz, besides re-establishing or managing our relationship with the Americans, what are your thoughts on what Canada needs to do in other places to help Canadian industries and Canadian workers?

Linda Hasenfratz: I think there are a couple of things.

First, for sure we have the framework already in place. As I mentioned earlier, we have 56 free trade agreements, representing two-thirds of the globe's economy, so we already have the ability to trade freely with the vast majority of the world.

People say that globalization is dead; globalization is only dead in the U.S. The rest of us have the opportunity to trade wherever we want. We have a huge opportunity in Canada with the agreements we already have in place to lever that.

To help Canadian businesses grow abroad, one of the key things our government should do is start talking a little more positively about some of the things I've already talked about—about the great productivity that we have in our manufacturing sector and the fantastic technology companies we have here. That intersection of our strong manufacturing capability with our incredible tech sector, which is now being called “advanced manufacturing”, is incredible.

We have this nexus of AI capability in our country. AI started here. The godfathers of AI are Canadian. This ecosystem has grown up from that. All these start-up companies, the little companies with all these great technologies that we and many other companies have used to implement AI and productivity-enhancing technologies, we have that here. That's an incredible asset, and it's not just in AI but in all areas of technology. We have the second-highest density of technology start-ups in the world, next to Silicon Valley.

The capabilities here are fantastic, not to mention the critical minerals, the fresh water and the clean electricity. We have more than almost any country in the world. We have such a great story to tell, and we're not telling it.

When we start telling Canadians, “You’re not productive”, that doesn’t create a lot of incentive. If you’re coaching a team, you don’t tell all the players, “You know what? You’re all really bad. You’re not very good.” Let’s talk about what is good and build on our strengths. That’s what’s going to attract investment here and help us to expand internationally as well.

• (1710)

The Chair: Possibly you could come back once a week and remind us of all the positives that we can build on. Thank you so much for that.

Simon Savard-Tremblay, go ahead, please, for six minutes.

[*Translation*]

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

I want to thank the witnesses for joining us.

Ms. Zalik, I found your idea intriguing. Since you didn’t have time to elaborate on it, I want to give you the chance to do so.

Please correct me if I misunderstood. You spoke about a type of tariff system based on the social and environmental costs of goods, which would be applied in North America.

Can you elaborate on this?

[*English*]

Anna Zalik: Thank you very much.

Indeed, my concluding comments were directed at what you’re referencing, which is that we need to look at an integrated system internationally, particularly with Mexico in the current moment, but one that is based on long-term planning, on the interests in the longer term of all of the residents of Canada. This involves thinking through an energetic and economic system that is coordinated.

One of the problems in our energy system right now is that it is often dictated by short-term contracts. Certainly, at this moment, it’s dictated by trying to appease the plutocrats south of the border. In order to create an energy transition, we need to be thinking in the longer term, and we need to be coordinating a slow movement off hydrocarbons to renewable energy systems. Through bringing together the minds in the world who are wanting to change our energy system to create more just outcomes socially and environmentally, we can seek out different kinds of agreements.

As I mentioned earlier, one of the surprising outcomes of the last CUSMA negotiation was the fact that Mexican labour standards were improved, and that was one of the things that Trump insisted upon. Let’s learn from that and try to raise the regulatory bar in bilateral negotiations and in international negotiations so that we start addressing some of the deeper crises that we’re facing internationally, which include ecological crises, a financial system that is insufficiently regulated and looking at the digital economy, as was just referenced by the last speaker, and reimplementing or considering the implementation of the digital services tax, which would allow us to then take those resources and invest them in a clean technology industry within Canada.

[*Translation*]

Simon-Pierre Savard-Tremblay: I completely agree with you.

Does this mean that workers’ rights are already adequately protected in the Canada—United States—Mexico Agreement, or CUSMA?

We know that there was a desire to go further than the North American Free Trade Agreement, or NAFTA.

Could we do even better? If so, how?

[*English*]

Anna Zalik: One of the suggestions would be the extension of the rapid response mechanism, which currently applies in Mexico, across the continent. That would allow for complaints to be made when labour protections are not being respected in the other CUSMA partner countries. A similar kind of system could be put in place that would have more teeth to it than what is allowed under the Commission for Environmental Cooperation at the continental level.

I’ve heard many evaluations of the current rapid response mechanism’s implementation in Mexico, and most of them point to the need to make it more robust and for it to also be significant continentally. Clearly there are labour violations within Canada that also need to be examined, and this would help us to protect our own workers as well.

[*Translation*]

Simon-Pierre Savard-Tremblay: We know that NAFTA played a major role in spreading what’s known as the grossly unfair investor-state dispute settlement mechanism. This mechanism amounts to a form of sovereignty for multinational corporations. These corporations can dismantle democratically adopted legislation that promoted solidarity, justice, environmental protection, workers’ rights and consumer rights, for example. All this for the sake of the right to profit.

Fortunately, CUSMA eliminated this mechanism, but Canada continues to support it. Should this mechanism be reinstated in the agreement or should it be left aside?

• (1715)

[*English*]

Anna Zalik: It should absolutely be left aside. That removal of investor-state arbitration should also hold for Mexico. I think what we’re basically doing right now is meeting the needs primarily of a couple of large firms, one of them being TC Energy, which I had mentioned and which is now as equally a U.S. firm as it is Canadian, and their investments in Mexico. We need to be learning from what Mexico has done over the last 10 years, which is building infrastructure over which they have more control.

Yes, I think we have to remove ourselves from all trade agreements that allow for firms to take states to court when they try to implement multilateral environmental agreements, including the Paris Agreement.

The Chair: Thank you very much.

We’ll go on to Mr. Mantle, please, for five minutes.

Jacob Mantle: Thank you, Madam Chair.

Thank you to our witnesses for appearing.

My initial questions will be for you, Ms. Hasenfratz.

First, thank you for appearing. It's important that we hear directly from Canadian companies on this upcoming review.

I understand that you were in the process of building a parts facility in Welland in Ontario—a giga-casting facility, as I understand it's called—but that has now halted. That factory will no longer open, and it's in fact up for sale. Can you tell us what happened there?

Linda Hasenfratz: Absolutely. We still are big believers in the giga-casting technology. We were actually the first in North America to invest in giga-casting technology. It's reasonably new technology that is being utilized in the industry.

We had been awarded a major program for that facility. Unfortunately, because it was for a battery electric vehicle and there was a collapse of expected demand in battery electric vehicles, it was cancelled, so we found ourselves without a project for our brand new beautiful facility.

Of course, we are actively looking for alternative projects. The problem with that type of technology is that there is typically a two- to three- or even five-year time frame between when you can start discussions with somebody and when you're actually going to be able to start production. We've had to close things up to wait for those opportunities, but we are actively looking at alternative uses for that building.

It is a beautiful state-of-the-art facility. We are exploring whether there's somebody interested in purchasing it. We may discuss that. I would a hundred times rather put some work into it, and we do have a couple of pretty interesting opportunities that we're talking about right now that hopefully we can use that facility for.

Jacob Mantle: Thanks. I just wanted to get some colour on some of those reports about that facility.

I understand that the facility was included in your application and the receipt of funding under the strategic innovation fund, the SIF. In fact, that funding, at least publicly, was tied to your four facilities in Ontario, one of them being that Welland facility.

Can you tell us how much of that funding was tied to the Welland facility?

Linda Hasenfratz: We have not applied for any money for Welland, just given the circumstances. Although we're claiming funding under that program for other investments that we've made in the other facilities, there's nothing that's been claimed for Welland—or paid, obviously.

Jacob Mantle: Just so I'm clear, then, the public announcement by the government on January 28 that this money was going in part to fund Welland is incorrect.

Linda Hasenfratz: It's not incorrect. It was included in it, but because of the subsequent situation that evolved, we did not put any claim forward for any of the investment for Welland.

The way it works is that we identify a series of projects that would come under the SIF funding, and then, as we spend, we claim. Given the circumstances, we haven't claimed anything. There is a claim potential, but it hasn't been touched—

Jacob Mantle: I'm sorry to cut you off, but I'm getting close to my time. I just have a few more questions I want to get in on this.

It had been discussed that the SIF funding would have resulted in 2,000 jobs in Canada across those four facilities. What's the number now?

• (1720)

Linda Hasenfratz: Obviously, that wasn't just Welland. That was all of these other investments that are still under way. We're marching towards it.

I don't have a number for you right now. Obviously, we've been impacted by this overall slowdown in the industry as well. That's hurting the numbers, but we do feel confident in our ability to get there over time. We're definitely growing our employee base in Canada.

Jacob Mantle: I have just a few seconds left and two more questions I want to ask you if I can get them in.

Did you provide any assurances to the government that you would meet those job targets for that SIF funding, and are you going to meet those commitments now that one of those facilities is no longer on the table?

Linda Hasenfratz: As I say, we did make a commitment around jobs and we do feel confident in our ability to get there over time.

Jacob Mantle: As my last couple of questions here, you mentioned that it's the “absolute top priority” for you at Linamar to get a deal on the sectoral tariffs—on autos, steel and aluminum. Is it fair to say that if we don't get a deal on steel, aluminum and autos, then that's a failure of this process, in your mind, for Linamar?

Linda Hasenfratz: What do you mean, “a failure of...”?

Jacob Mantle: Of the negotiations.

Linda Hasenfratz: I think it must be a priority to deal with this massive impact, so—

Jacob Mantle: I'm not talking about hopes. I'm talking about results. If we don't get a deal—

The Chair: Just give a short answer, please. I'm sorry. We're over time.

Linda Hasenfratz: I think it would be a setback and should absolutely be pursued.

The Chair: We will go to Mr. Fonseca for five minutes, please.

Peter Fonseca: Thank you, Madam Chair.

I want to thank all the witnesses we've had here today in our panel. I want to thank you for the optimism and the hope and for looking always for solutions and a can-do attitude.

I wish we could bottle up what you had to say, Ms. Hasenfratz, about advanced manufacturing, about productivity, about our economy and about being bold on Canada. We should give that to the Blue Jays today—go, Jays, go! Hopefully, they'll win tonight.

It should also be right across Canada, because the approach that we've been taking as a government is a team Canada approach. We feel this is the only way to win. It's working with business, working with labour, working with all levels of government. You said the Ontario government in this case, but it's working together as municipal, provincial and federal governments to be able to achieve.

When these unjustified section 232 tariffs came in—and I know they're your top priority that needs to be addressed—the first thing the government did was address the allegations about the border, etc. We invested in the border. We put many resources into it, and we have communicated this to the Trump administration. We continue to do so to get relief and to get rid of those section 232 tariffs.

What would you suggest in terms of a further approach to getting rid of those section 232 tariffs, to make the U.S. administration understand how they're hurting not only Canada but also the United States, hurting workers, hurting their economy and hurting ours?

Linda Hasenfratz: There are definitely levers that we could pull in order to get an agreement to lift the section 232 tariffs on not just metals but also vehicles. For instance, we could increase regional value content. It's at 75% at the moment. We could increase that. We could impose a U.S. content requirement on vehicles.

We need to.... Donald Trump is a dealmaker. He wants to make a deal, so you need to go in and make a deal. There are things that we offer and there are things that he offers. In the end, he wants to be a winner. If he's a winner, we're a winner too, because if we get rid of these tariffs and we're able to continue to make vehicles tariff free and continue to respect the NAFTA, USMCA, CUSMA agreement—whatever you want to call it—then I think that's a good thing for all of us. Let's get in there and make a deal.

Peter Fonseca: Thank you.

Go ahead, Mr. Kingston, on the same question.

Brian Kingston: I remain an optimist on this—that there's a deal to be had—for three reasons.

First of all, the U.S. has a trade surplus with us in auto. It's not the same story with a lot of other countries.

Second, we're their top export destination for finished vehicles, and it's not even close. More cars come to Canada than to Germany, Mexico and China combined.

Third is China alignment. We have aligned with the Americans on China, and they ultimately will need us. I just came from Saguenay, where I was visiting Rio Tinto. We have the ability to process gallium. China has choked off supply of rare earth minerals. They have 90% control of these minerals around the world. Where do we actually happen to have almost all of them? It's right here in Canada, but we haven't done anything to process and mine these minerals. We have what they need, but we have to move faster to build some leverage.

• (1725)

Peter Fonseca: We heard from previous witnesses that we are in an economic war. They brought forward the idea of creating a war room. We do have our negotiators. They've been down in Washington and they continue to work tirelessly to get a deal.

What are your thoughts on a war room type of approach to our CUSMA review?

Linda Hasenfratz: I think it's a great idea.

I think there should be very fluid and active participation of business and industry in these discussions. Nobody knows how all of this impacts them better than the folks who are running the businesses. It's like when we do cost-saving work with our plants: We always involve the operators on the floor, because nobody knows how to do the work they're doing better than they do. They're the ones with the best ideas, so you absolutely should use business and industry.

Peter Fonseca: Go ahead, Mr. Kingston.

Brian Kingston: I fully support that, having been through the first CUSMA negotiation. The government had established pretty clear consultative mechanisms with industry. That was hugely important and very effective.

The Chair: Thank you very much.

Thank you to our witnesses. We really appreciate your information. We're all in this together, and we appreciate your excellent comments. To all three witnesses on this panel and the previous one, thank you very much. You are welcome to leave.

The committee has a bit of housekeeping to do that could take a couple of minutes. One item is the approval of our budget for this CUSMA study. It was circulated on Friday. Are there any objections? Does everyone approve?

Some hon. members: Agreed.

The Chair: I believe the vice-chairs were talking a bit about possible travel. Are there any discussions about that?

Go ahead, Mr. Naqvi.

Yasir Naqvi: Madam Chair, thank you very much.

I think you probably would need a motion from us. Mr. Chambers, Monsieur Savard-Tremblay and I have been in conversation, and I've shared a motion with them. I can read it into the record to see if there are any comments. I think it captures travel in terms of the study we're doing on CUSMA and also on trade diversification relating to Mercosur.

I have it in both English and French, but I'll read the English version right now.

I move that, in relation to its study on the subject matter of the upcoming CUSMA review and trade diversification, the committee clerk bring forward a plan for six members of the Standing Committee on International Trade to travel to Washington, D.C., and Detroit, Michigan, in 2026, with a focus on the upcoming CUSMA review; and Brasilia, Brazil, and Buenos Aires, Argentina, in 2026, with a focus on the efforts to advance trade negotiations with the Mercosur trade group; and that the necessary staff accompany the committee.

That's the essence of the motion. If this committee approves it, then I'm sure it goes to a coordination committee and the whips, and then they can perhaps decide time frames, sitting week or non-sitting week, etc., which is out of our hands.

The Chair: The motion gives a direction for the clerk to start to look at putting that together, which is a fair amount of time, and then come back to the committee for further discussions on it.

Is everybody okay with that?

(Motion agreed to [*See Minutes of Proceedings*])

The Chair: Thank you all very much. The motion is fine. Everybody's good with it.

Can I throw out an idea?

We're listening to these businesses. What if we had the heads of the major industries—softwood, auto, aluminum and so on—come in for a two-hour session with the committee? I don't know if they

will come, but I just wonder if that would be helpful. We keep hearing from a lot of businesses, but what if we actually had the heads of those four industries come before the committee?

Go ahead, Monsieur Savard-Tremblay.

• (1730)

[*Translation*]

Simon-Pierre Savard-Tremblay: I want to tell you about my recent discussions with forestry industry officials. People in this industry don't want to participate in a public meeting. Everything said publicly is monitored, especially by decision makers across the border. They want to participate in a closed-door meeting so that they can speak freely.

[*English*]

The Chair: Well, I toss that out there. Let's think about it, and we'll have another conversation about it.

Yasir Naqvi: Madam Chair, are you suggesting the heads of trade associations from those four sectors, or are you thinking of the companies and their CEOs?

The Chair: I'm thinking of the major heads of those companies.

I throw it out there. We can talk about it on Thursday or off-line, if you think it's a good idea to move our whole agenda forward. It might be helpful. I don't know. We'll have a further discussion.

Thank you all very much. We are adjourned.

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

SPEAKER'S PERMISSION

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

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

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

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

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

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

PERMISSION DU PRÉSIDENT

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

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

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

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

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