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Chair: Judy A. Sgro



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• (1530)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): Welcome to meeting number 16 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 a study of Canadian supply chains, forced labour and related imports.

We have with us today, from the Canada Border Services Agency, Alexander Lawton, executive director, commercial programs directorate; and Graeme Hamilton, director general, traveller, commercial and trade policy directorate. From the Department of Foreign Affairs, Trade and Development, we have David Hutchison, director general, trade strategy bureau. From the Department of Public Safety and Emergency Preparedness, we have Jennifer Esdaile, director, community safety, corrections and criminal justice.

Welcome to all of you. Thank you very much for making the time to be with us today on what the committee members consider a very important issue.

We welcome your opening remarks.

Mr. Hutchison, we invite you to make opening remarks of up to five minutes, please.

David Hutchison (Director General, Trade Strategy Bureau, Department of Foreign Affairs, Trade and Development): Madam Chair, thank you for the opportunity to address the committee.

I appeared before this committee previously this fall, but I'd like to take this opportunity to share the scope of my work and the bureau I lead.

The trade strategy bureau at Global Affairs Canada has been leading the development of the trade diversification strategy, including standing up a new strategic export office. We are also leading the development of a defence export strategy. As part of that, I am the chief negotiator for Canadian participation in the EU SAFE instrument.

We support the Minister of International Trade and the governance of Export Development Canada and the Canadian Commercial Corporation. We are the departmental lead on responsible business conduct and provide the chair and secretariat for Canada's national contact point for responsible business conduct. We also pro-

vide a support function to the work of the CORE. I would note that the structure and focus of the CORE are currently under review.

In general, our work is meant to support Canada's trade commissioner service in its mission to help Canadian exporters succeed in international markets.

[*Translation*]

Canada's trade commissioner service, or TCS, is a network of trade professionals in more than 160 cities around the world. The trade commissioner service helps Canadian exporters prepare for international markets, assess market potential, connect with qualified contacts and resolve business problems abroad. The TCS also administers programs such as CanExport SMEs.

Last year, the TCS served more than 11,000 Canadian clients, 93% being small and medium-sized businesses.

Currently, my office's top priority is advancing Canada's trade diversification strategy. Expanding trade opportunities and diversifying trade partners are essential for Canada to achieve resilient growth and ensure its autonomy in the years ahead.

I should point out that Canada's reputation as a leader in ethical business represents a key competitive advantage. Responsible business practices also help Canadian businesses successfully navigate a more diverse range of international markets.

In support of the government's goal of doubling non-U.S. exports, responsible business conduct is a central part of the TCS's commitment to its clients.

[*English*]

Responsible business conduct is about companies having a positive impact where they operate, and taking steps to avoid and minimize adverse impacts linked to their operations. Responsible business practices help companies mitigate risk, gain insight into their supply chains and build trust with stakeholders. This makes them more resilient and successful enterprises overall. Responsible conduct is therefore not only the right choice, it is the smart choice.

Our bureau gives trade commissioners the training and resources they need to inform Canadian exporters about key considerations for doing business responsibly in their target markets. We see this as an integral part of our mandate to provide Canadian exporters of goods and services with the information they need to manage risk and ultimately succeed in new markets.

A pillar of our approach to responsible business conduct is the OECD guidelines for multinational enterprises. They are the most widely recognized comprehensive set of international principles for responsible business conduct. The guidelines represent a shared set of recommendations by 52 governments to multinational enterprises on key issues such as human rights, the environment and labour standards. Common international expectations and guidelines create the predictability and coherence that enables effective implementation of responsible business practices across borders, while also fostering a more level playing field for Canadian businesses.

[Translation]

Canada and other adherents each have a national contact point, or NCP, for responsible business conduct, to promote the OECD guidelines. It's important to note that NCPs offer an opportunity for dialogue through mediation, to help submitters and companies resolve issues related to non-observance of the guidelines.

Canada needs to expand and diversify its trade. That is why responsible business conduct represents a competitive advantage for Canadian exporters. Responsible business practices are an essential part of Canada's trade diversification success.

[English]

With this in mind, Global Affairs Canada is committed to helping clients of the trade commissioner service implement strong responsible business practices and to supporting Canada's national contact point in promoting implementation of the OECD guidelines.

I welcome the committee's questions.

[Translation]

Thank you.

[English]

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

We will start with Mr. Mantle, please, for six minutes.

Jacob Mantle (York—Durham, CPC): Thank you, Madam Chair, and thank you to our witnesses for joining us today.

To begin, I'm going to focus my questions with respect to Canada's import ban on goods produced in whole or in part by forced labour. I leave it to you to decide who is best placed to respond to those questions.

First, in April of this year, U.S. Customs and Border Protection issued a withhold release order against Taepyeong Salt Farm, which is located in South Korea, on reasonable suspicion that forced labour was used in the production of the goods, sea and salt products.

Can you confirm whether such products are in Canada right now?

• (1535)

Graeme Hamilton (Director General, Traveller, Commercial and Trade Policy Directorate, Canada Border Services Agency): I'm sorry. I'm unable to confirm whether or not those products are in Canada. I don't have that information in front of me right now.

We're happy to take that question back and provide you with any information we do have after the session.

Jacob Mantle: Thank you.

In May of this year, U.S. Customs and Border Protection issued a withhold release order against *Zhen Fa 7*, a Chinese-flagged vessel, and will detain all seafood harvested by that vessel, again on reasonable suspicion that the vessel uses forced labour to harvest that seafood.

Can you confirm whether that seafood has entered Canada?

Graeme Hamilton: Again, Madam, Chair, I am unable to confirm details of the questions that are being asked. We are aware of the 54 withhold and release orders that have been issued by CBP and that are in effect.

I can perhaps provide a little bit of information in terms of what CBSA is doing with respect to enforcement and engagement with importers into Canada, if that's of interest to the committee.

Jacob Mantle: I will get to those questions as well, but this is the last one for you, from this year.

On September 24, U.S. Customs and Border Protection issued a withhold release against Giant Manufacturing Co. with respect to bicycles, bicycle parts and accessories. Can you confirm whether Giant bicycles are available for sale in Canada?

Graeme Hamilton: Again, Madam Chair, I'm not in a position to be able to comment on the specific details of the question.

I would be happy to take those three questions away and endeavour to provide information back to the committee after the meeting.

Jacob Mantle: Thank you. I look forward to that information.

You're aware that Giant Manufacturing Co. is the largest bicycle producer in the world. Their bicycles are widely available in Canada. There are two stores in Ottawa and multiple stores in the GTA.

Do you know if those bicycles were made with forced labour?

Graeme Hamilton: Again, Madam Chair, I am aware of Giant bicycles and the stores that are in Ottawa. I am not in a position to comment on the specifics related to imports that may or may not have come into Canada from that manufacturer and whether or not those were produced in whole or in part using forced labour.

Jacob Mantle: I guess it's a little concerning to me, as a member of Parliament, that we have public declarations from U.S. Customs and Border Protection about products that are, in their opinion, under reasonable suspicion of being produced by forced labour. Some of those products are clearly available in Canada. Bicycles are probably the most obvious example. If I'm wrong, you can correct me.

How can we trust that this is a priority for the CBSA if, on even the most simple products that have been widely reported on, we have no answer from the CBSA on whether they have investigated them, considered them or taken any steps to ensure that those products are not being sold to Canadians?

Graeme Hamilton: If it's of interest to the committee, Madam Chair, I'm happy to outline some of the efforts CBSA is undertaking on a daily basis with respect to targeting goods entering the Canadian economy that are under suspicion of being produced using forced labour. I can outline some of the enforcement action and some of the proactive engagements we've had with industry who have imported goods that we believe have a reasonable suspicion of potentially being produced using forced labour.

If that's of interest, I'm happy to provide that testimony.

Jacob Mantle: You mentioned the standard of reasonable suspicion. Is that the CBSA's legal standard for whether they will interdict goods?

Graeme Hamilton: The customs tariff uses the standard of balance of probabilities. In terms of our authority to examine goods under the Customs Act, it's a no-threshold authority for us to examine goods entering Canada.

I could perhaps turn to my colleague Alex Lawton on that. He could provide more details from an operational perspective in terms of some of the work we're doing and the standards that are used, if that's of interest to the committee.

Jacob Mantle: If you have more details on the specific standard, I'd like to know about that. It seems unclear to me what the standard is that the CBSA applies to determine whether a shipment should be flagged as high risk. Then it's unclear to me what the CBSA standard is for issuing a redetermination of tariff classification under section 59 of the Customs Act.

• (1540)

Alexander Lawton (Executive Director, Commercial Programs Directorate, Canada Border Services Agency): I'll start with the final question. The standard for issuing a redetermination, or to determine that the goods essentially have been made with forced labour, is the balance of probabilities.

In terms of actually detaining the goods, the balance of probabilities does not come into that. It's essentially based on high-risk imports. What is high risk? It comes down to knowing who the entities are who are importing or exporting the goods within that supply chain and knowing the potential of those entities for having forced labour within each company within that supply chain. Based on that, if we have the research available to indicate that there is at least a suspicion, a high risk of suspicion, of forced labour, we can make the detention and request additional information from the importer or the person or entity bringing in the goods.

Based on that additional information, as well as the information we already have, we make a decision on the balance of probabilities whether the goods were made with forced labour.

The Chair: Thank you very much.

Mr. Fonseca, you have six minutes, please.

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

My questions are open to all the witnesses, whoever may best answer.

This somewhat follows up on what MP Mantle was speaking about. How does the CBSA currently identify shipments that may involve forced labour risk? What information gaps limit reliable detection at the border? Do you see gaps at the border? How can you close those gaps?

Graeme Hamilton: Madam Chair, I would say there's a lot of operational co-operation going on with partners on forced labour regimes. That includes regular conversations with the U.S. to learn how they have implemented their forced labour ban over the course of almost the last 100 years, and increasingly under the construct of trilateral discussions related to CUSMA exchanges with the Mexican counterparts as well in terms of technical co-operation and information sharing around goods being imported into the North American economy that might be suspected of being produced with forced labour.

There is also risk taking place through our CBSA systems to look at entities of concern and importers that may be bringing those goods into Canada. Data, obviously, is important in these types of investigations and this type of targeting. We need to know where goods are being produced to be able to appropriately target them and to be able to intervene at a port of entry in order to undertake the enforcement action that Mr. Lawton walked us through earlier.

Peter Fonseca: Thank you.

Since 2020, how many shipments have been detained under the forced labour import ban? In which sectors do you see the highest risk?

Graeme Hamilton: I'm not an operational person within CBSA. I will turn to my colleague, Alex, who manages the program which does that type of operational engagement.

Alexander Lawton: Yes, since that time, there have been 48 detentions of individual shipments. Generally, those shipments have been in garments, textiles, automotive parts, solar panels and, more recently, gloves and drones.

Peter Fonseca: Thank you for that.

Did we hear bicycles? Is that another one?

Alexander Lawton: To date, there has not yet been a detention of bicycles, no.

Peter Fonseca: Okay.

What challenges does the CBSA face in verifying the production of origin of goods that pass through complex supply chains or intermediary countries? How do you address that?

Graeme Hamilton: Madam Chair, it's a very good question.

Part of the challenge is obviously supply chain traceability. Goods are made up of multiple components and often pass through multiple chains of production before they're imported into Canada. Supply chain traceability remains a challenge for CBSA in terms of its enforcement of the current forced labour ban.

Peter Fonseca: That is an issue.

How do you decide that the documentation you receive from importers is sufficient and clear? How do you address that? Do you suspend any documentation that is not clear in terms of involving any forced labour?

Graeme Hamilton: I would say that there's quite a robust re-course process that exists within the Customs Act. It has several layers, which conclude at a quasi-judicial hearing. Through that process, there's an active discussion back and forth between the agency and the importers to try to attain the information from them, in order to make an appropriate tariff classification on whether those goods were or were not produced via forced labour.

• (1545)

Peter Fonseca: How often has the CBSA reviewed the effectiveness of its current forced labour screening since 2020? What have been your findings? When was the last review?

Graeme Hamilton: I would maybe defer to my colleague, Mr. Lawton, in terms of the operational arm of the CBSA and when reviews last were undertaken.

Alexander Lawton: The review of our risking process, the risking methodology, is basically an evergreen process. We're constantly looking at it. The biggest gap we've found is essentially an information deficit in terms of supply chains, but also in terms of the working conditions within each entity within a supply chain. It's something that's very difficult to address. Many importers aren't even necessarily aware of their entire supply chain.

That's the biggest gap, and it's one that we're trying to address as much as possible in leveraging information from partner agencies such as United States Customs and Border Protection and partner agencies here within Canada, such as ESDC's labour program.

Peter Fonseca: Thank you.

This will be more of a trade question. Does Canada require additional trade agreement mechanisms to deal with forced labour issues moving forward?

Maybe you can tell us about the ones that we have in place now.

David Hutchison: I'll take this question.

Madam Chair, the committee may appreciate that I'm not really in a position to say what Canada needs in terms of new trade agreements.

We have the import ban that is part of CUSMA. We have various other free trade agreements that include labour provisions and environmental provisions, but decisions on the future of Canada's free

trade agreements and what they will include will be taken at a future date.

Peter Fonseca: Would those adhere to what you were saying, to the OECD guidelines you mentioned?

David Hutchison: Madam Chair, the OECD is an intergovernmental body that consists of a membership, but the OECD RBC guidelines include other countries that are not OECD members. It's a guideline of best practices. It's advice to the entire international community, whether it's the business community or governments.

What we do with the OECD guidelines as the trade commissioner service is that we provide advice to our clients, which are largely exporters of goods and services. We provide them our best advice based on those guidelines. Those guidelines are comprehensive. They include labour, environment and human rights.

One of the things we encourage our exporters to do is to undertake due diligence, including that related to forced labour that could be in their supply chains. Our exporters are exporting to foreign markets, but they may also be importers and importing intermediary goods into their manufacturing process. It is important that we encourage our businesses to undertake due diligence, because it is ultimately in their interest.

The Chair: Thank you very much.

We go now to Monsieur Savard-Tremblay for six minutes, please.

[*Translation*]

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

Thank you to the witnesses for being with us.

I'm going to start with a question that is both naive and general. I recently submitted a question that was placed on the Order Paper. The figures I'm going to give you are from September, so not that long ago. We found out that Canadian border authorities had seized 34 shipments suspected of containing products made by forced labour or child labour. Thirty-three of those shipments were released, all global regions and provinces combined. Ultimately, only one shipment was actually seized without being released.

Conversely, if we compare ourselves with the U.S., we see that the Americans have seized billions of dollars U.S. worth of goods from a single region in China, the Uyghur region.

How do you explain such a disparity?

[*English*]

Graeme Hamilton: Do you want to take it?

David Hutchison: Sure.

Madam Chair, I think it would be very difficult for us here to comment on the laws, practices and regulations of a foreign government. I'm sure my colleagues from CBSA would be very pleased to speak to how they approach this important issue.

[*Translation*]

Simon-Pierre Savard-Tremblay: Can either of the Canada Border Services Agency, or CBSA, witnesses answer my question?

• (1550)

[*English*]

The Chair: Will someone else provide the information?

[*Translation*]

Simon-Pierre Savard-Tremblay: Heads up. The ball's in their court.

Graeme Hamilton: Madam Chair, I'd like to thank the member for his question.

It's a bit of a detailed answer, so I'm going to switch to English.

My colleague Alexander Lawton may have more information to add.

[*English*]

At the highest level, from the import ban Canada does have in place, the ban itself sits within the customs tariff, which falls under the Ministry of Finance. That works in conjunction with the Customs Act, which is underneath the Minister of Public Safety. Together, they provide a very strong ban on forced labour. It's an absolute ban within the customs tariff. Because of that very high threshold in terms of being able to ban all imports into Canada, there's also a case-by-case determination in terms of goods coming in where that is then applied or not. A rigorous and robust recourse process follows.

What we've seen from that are slightly different statistics and volumes of enforcement from perhaps some of our other counterparts, including those in the U.S. What we have been able to do is also work proactively through elements under the Minister of Public Safety and under former Bill S-211 in terms of putting in place a transparency regime to ensure that Canadian businesses are looking into their supply chain and ensuring that they're rooting out forced labour practices from within that.

There's been proactive engagement undertaken by CBSA in terms of issuing trade advisory notices to companies importing into Canada in a variety of sectors that we understand could be susceptible to forced labour as well as, obviously, enforcement action that has been referenced by the committee member as well.

There are more updated stats in terms of what action has been undertaken by the CBSA other than the ones that were publicly quoted by the member. I'm happy to defer to my colleague, Alex Lawton, if he wants to talk about some of the more recent enforcement action if it's of interest to the committee.

[*Translation*]

Simon-Pierre Savard-Tremblay: Mr. Lawton, can you give us any figures? It would be helpful to have them.

[*English*]

Alexander Lawton: Thank you.

As of November 2025, so as of this month, there have been 48 detentions. Two have resulted in fined determinations of forced labour. One of those determinations was later, on appeal, overturned, essentially. In addition, there were 33 shipments that were released following information provided by the importers.

Of the other eight shipments—and hopefully my numbers are correct—seven were re-exported. Essentially, when we attempted to detain the goods, the exporter or importer decided to, rather than allow their goods to be detained in a warehouse and the process to work its way out, move their goods outside of Canada.

The remainder were abandoned and essentially destroyed. Rather than have the process working itself out, the importer abandoned the goods and essentially gave up ownership.

[*Translation*]

Simon-Pierre Savard-Tremblay: If I understand correctly, there were 48 seizures, so the number has gone up slightly. Of those seizures, eight shipments were re-exported and two were actually seized, one of which was released.

Did I get that right?

[*English*]

Alexander Lawton: That's correct. I'm sorry. I may have mis-spoken. Thirty-seven were released; two were prohibited; seven were re-exported, and one was abandoned.

[*Translation*]

Simon-Pierre Savard-Tremblay: That means 10 didn't enter the country. Is that right?

When you look at the American regime, would you say we have a strong system?

[*English*]

Graeme Hamilton: It wouldn't be appropriate for me, as an official, to criticize the—

[*Translation*]

Simon-Pierre Savard-Tremblay: You're the one who referred to a strong system, strong regulations. Those are your words, not mine.

[*English*]

Graeme Hamilton: My reference to a strong system was specifically related to the fact that the ban is absolute. There is no ability to import goods made by forced labour, for other reasons, into Canada.

We have seen other regimes around the world in which there are carve-outs for goods, even if they're determined to be produced by forced labour, to still enter other economies—if there is a domestic need for the good, for example—whereas Canada's ban itself is absolute. That comes with, obviously, a very high degree of rigour and a case-by-case assessment of the goods and the enforcement action undertaken by the agency.

[Translation]

Simon-Pierre Savard-Tremblay: That means that—

• (1555)

[English]

The Chair: Thank you very much. I'm sorry.

Mr. Groleau, go ahead, please, for five minutes.

[Translation]

Jason Groleau (Beauce, CPC): Thank you, Madam Chair.

Good afternoon to the witnesses.

We're here to discuss our study on forced labour.

Ms. Esdaile, you work for the Department of Public Safety and Emergency Preparedness. What is your role at the department?

[English]

Jennifer Esdaile (Director, Community Safety, Corrections and Criminal Justice, Department of Public Safety and Emergency Preparedness): My role in particular is the director of crime prevention and community safety. I work on such elements as the national crime prevention strategy and other community safety measures.

Chad Westmacott, the director general of the community safety, corrections and criminal justice directorate, was supposed to be here this morning, and he is directly responsible for measures under the supply chains act.

[Translation]

Jason Groleau: Does your department's purview include road safety and public hazards?

[English]

Jennifer Esdaile: No.

[Translation]

Jason Groleau: We are talking about forced labour, but I'm going to draw a link to public safety.

Let's talk about forced labour, which we call here modern slavery. Do you denounce forced labour anywhere in the world?

[English]

David Hutchison: Madam Chair, on behalf of colleagues here, in my view it's not really necessary for us to declare ourselves on an issue, but I think, generally, that humanity would consider forced labour to be an abhorrent practice.

[Translation]

Jason Groleau: Could you please repeat what you just said, to make sure we understand correctly?

[English]

David Hutchison: Madam Chair, as I just said, I think most people would agree that humanity would consider forced labour an abhorrent practice.

[Translation]

Jason Groleau: Forced labour exists here, in Canada.

Forced labour exists in 2025. The phenomenon known as Driver Inc. is proof of it. Here's the link with public safety. People are being forced to work 70, even 80, hours a week, but being paid for only 40 hours. If they don't deliver their cargo on time, they are on the hook for the bill. They are being threatened, their families are being threatened.

I told Ms. Esdaile that there was a link with public safety. Since these people are being forced to work 80 hours non-stop, without time to rest, do you think public safety could be affected, yes or no?

[English]

David Hutchison: Madam Chair, the member is raising a very important issue that, I believe, covers the mandates of many federal, provincial and, perhaps, even municipal governments, including, among others, ESDC and Transport Canada. It may be worth following up with some of those departments.

I don't think any of us at this table currently are working on that specific file.

[Translation]

Jason Groleau: I'm going to turn to the CBSA representatives. I assume I may get some answers, at least I hope so.

How do you explain the fact that few shipments suspected of containing goods produced by forced labour are intercepted in Canada? Our allies have similar mechanisms, yet they seize a lot more shipments. Why is that? Is it due to a lack of personnel or lack of efficiency?

[English]

Graeme Hamilton: I don't want to speculate in terms of future enforcement action, but I can speak a little bit to the results that we have had over the five years that the ban has roughly been in place.

For the CBSA, it's a new line of business in terms of trying to identify these goods coming into Canada. I am sure the committee can appreciate that the inherent quality is different for goods produced by forced labour as opposed to other goods. At the end of the day, in a dockyard, when you're opening up a container of footwear, a shoe looks like a shoe, and from a customs tariff perspective, there are all sorts of different subcomponents of the tariff code, whether it has a leather sole, a rubber sole, etc. All those are physical, visible distinguishing features of a shoe that we can easily assess and have our officers assess.

What is more difficult is to try to make the determination about how those goods have been produced and the labour conditions that exist in the factory where those goods have been produced. One box of shoes in exactly the same container may have been produced in a factory that is perfectly acceptable, with no forced labour present, while other ones were not. It has been a bit of a process for us to learn from our partners, including the U.S. and Mexico. Recently, the EU passed new regulations related to forced labour, so we are also learning from partners in the European Union.

My colleague, Alex, spoke earlier about some of the enforcement successes that we've had. Underpinning all of that action is, in fact, daily scans of imports coming into Canada. We do have a long list of entities that we know have a high potential for forced labour production, so we scan goods and importers for those names to try to identify whether or not those shipments are coming in.

We've done proactive engagement with the Canadian importing community to flag not only the rules and the laws that exist today but also imports of potential concern. This is supplemented by the role that my colleague plays or that her boss plays, by Public Safety in terms of the supply chain legislation that was brought forward under Bill S-211 and by trying to make sure that Canadian businesses are looking into their supply chains as well. It's trying to incentivize good behaviour within the Canadian importing community. That, coupled with the backstop of our forced labour import ban, is producing results, and they stand as reported by my colleague.

• (1600)

The Chair: Thank you very much.

Mr. Lavoie, please.

[Translation]

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

Thank you to the witnesses for being with us.

Mr. Hamilton and Mr. Lawton, I'd like you to clarify some things.

Since we started examining this issue, I've gotten the sense that the only measure of your work is the number of shipments. We've been talking about the number of shipments seized by Canada and by the U.S., but surely that's not the only way to measure all the work you do. Are there other indicators you use or things you do? All the focus is on the number of shipments, but there must be other ways of measuring the results of all your activities.

[English]

David Hutchison: Madam Chair, the member raises a very good point that this important issue requires more than just seizures and enforcement by an agency like the CBSA. It requires an education process for the importer community. These are very valuable businesses in Canada that face all kinds of economic pressures. It's really important that they have an education about the risks because one of our strongest areas of focus is trying to build more resilience within our business community. We're trying to grow the economy. It's important for them to understand the risks to their bottom line in being part of supply chains with forced labour.

In our view, the supply chains act has had a major impact in terms of bringing awareness to the business community. Thousands of businesses must submit an annual report and, in doing so, have instituted new policies within their corporate structures. It's a hallmark of their ESG policies. I think it is an important consideration to think beyond simply regulation and enforcement.

[Translation]

Steeve Lavoie: Mr. Lawton, was there something you wanted to add?

[English]

Alexander Lawton: Just to supplement what my colleague has said, from a CBSA perspective, we completely recognize that stopping individual shipments on that shipment-by-shipment basis is not the only effective way to address the problem of forced labour and to implement the import prohibition.

More recently, in August 2025, we supplemented that approach with an educational campaign, essentially. We leveraged what we call trade advisory notices to notify approximately 1,800 companies that we identified as most at risk of bringing in goods that represent a high risk of having forced labour in their supply chains.

• (1605)

[Translation]

Steeve Lavoie: I'm going to stop you there, Mr. Lawton. I have a limited amount of time, and I have another question related to what Mr. Hutchison said.

Mr. Hutchison, you talked about educating businesses. I've worked in banking, in business financing and at Quebec City's chamber of commerce and industry. The committee recently met with witnesses who talked about how difficult it was for a business to be part of the supply chain. One even called it a can of worms, saying that businesses had to be incredibly competitive.

In Quebec, 72% of businesses have fewer than 10 employees. I understand the desire to have a better system for big companies, but how do we help the engine of our economy, small and medium-sized businesses? I repeat, 72% of businesses in Quebec have fewer than 10 employees. Even if they get the education, they may not have sufficient financial resources to meet the requirements.

How can you help the businesses at the core of our economy stay competitive while complying with the law?

[English]

David Hutchison: Madam Chair, as part of educational efforts with Canadian companies, I can speak to the trade commissioner service. A core element of its service offering and support to Canadian exporters involves responsible business conduct education.

In terms of the broader business community, which in Canada is composed of many SMEs and micro-sized businesses, I think it takes a community of action. In that regard, I would point to business associations as being very important partners, along with provincial governments.

It takes a whole-of-Canada effort on an important issue like this.

[Translation]

Steeve Lavoie: Thank you.

[English]

The Chair: Mr. Savard-Tremblay, go ahead for two and a half minutes, please.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you.

On a number of trips to Washington, I heard people talk about shipments of Chinese solar panels that had been intercepted at the U.S. border, because they were believed to have been produced by forced labour. Those people had a strong suspicion that the solar panels would simply be re-exported straight to Canada. Some elected officials even wrote a letter to the government about it. It's a matter of public record.

Can you confirm or deny that information? Can you explain how something like that can happen?

[English]

Graeme Hamilton: I will defer to my colleague, Alex, to answer in detail what generally happens in terms of the passage of goods between Canada and the States.

The issue of re-exportation, as I think you heard in earlier testimony, is something that Canada has faced as well. When we've detained goods suspected of forced labour, the importers have chosen to re-export those goods to another market rather than have them detained in Canada. That's a feature that's available to exporters bringing goods into Canada: They can re-export them.

Alex, do you have anything specific on the cases that the member mentioned? If not, I would say that it is a feature of our Canadian import and export business.

[Translation]

Simon-Pierre Savard-Tremblay: Mr. Lawton, I have a question before you get into your explanation.

When U.S. customs authorities prohibit goods from entering the country under the Uyghur Forced Labor Prevention Act, do you receive an alert or notification?

[English]

Alexander Lawton: As a matter of course, we are aware of any goods that are turned away at the United States border and then re-

exported to Canada. Every one of those shipments is essentially given a review at the time it presents at the Canadian border.

That's where the difficulty is. The Canadian forced labour import prohibition is based on the tariff classification. It's not based on a given region or a given industry. It's based on the individual entities.

When those goods arrive in Canada, we'll look at the entities that we know of to see if there are any indications that forced labour is present within those specific entities. If there are none, generally the goods are allowed release. If there are indications, those goods can be detained and the importer can be contacted. Additional research will be done, information sought and a decision will be made at that point as to whether the goods are made with forced labour or not, and the tariff classification decision is made.

The Chair: Thank you very much.

Mr. McKenzie, you have five minutes.

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

Mr. Hutchinson, regarding the trade commissioner service, you've referred to a campaign of information. I laud that effort. I am certain there are many who need to better understand the issues around forced labour in different parts of the world and so on, but is it not also the case that the trade commissioner service is really a facilitative organization? It facilitates and assists Canadians and Canadian enterprises in trade as opposed to being an enforcement agency. Is that correct?

• (1610)

David Hutchison: Madam Chair, that is absolutely correct. The trade commissioner service provides a free advisory service to Canadian exporters and does not have any kind of enforcement mandate.

David McKenzie: Is there any kind of obligation or direction to trade commissioners in our embassies and consular missions around the world to report circumstances or information that may come to their attention and would be of use to your colleagues to your right?

David Hutchison: Madam Chair, the member speaks to a challenging element of the mandate of the trade commissioner service in Global Affairs Canada. Our mandate is related to the export of Canadian goods and services, and we do not have an extraterritorial mandate to investigate or look into nefarious activities of foreign entities.

That said, there could be situations in which our well-trained trade commissioners come across a Canadian company and there may be concerns about responsible business conduct. In that case, our trade commissioners would certainly engage with that company to better understand what is going on, and at the end of the day, trade commissioner services are discretionary and can be withdrawn.

David McKenzie: Thank you.

Mr. Lawton, you referred to the interception of 48 shipments over a period of five years. Just to give us a rough ballpark, what is the total number of shipments that those 48 were a part of? Is it thousands, hundreds of thousands or millions?

Alexander Lawton: In terms of the proportion of goods detained as total imports, given that the forced labour import prohibition potentially covers any good shipped or imported into Canada, I don't have the numbers in front of me, but I think it's safe to say it would be 48 out of a fairly significant number.

David McKenzie: That's fair enough.

It strikes me that your organization would benefit from greater information networks. Are those in place now? Are they being expanded upon?

Obviously, your work is principally domestic within Canadian borders. The trade commissioner service is focused outward. Who's looking at what's happening in other parts of the world so that we can identify things at their source beyond what we already know in order to identify those goods as they come down what Mr. Hamilton referred to as a rather complicated—often enough, I'm sure—supply chain?

Alexander Lawton: I think I referenced previously the information deficit as being a significant challenge when it comes to enforcing the import prohibition. The CBSA has established a range of networks involving NGOs, other government departments and partner agencies elsewhere in the world, so it's not so much the lack of information networks as the lack of information.

A lot of the information in this space and a lot of the research into forced labour has concentrated on regions, countries or industries without necessarily getting into specific entities. The entity-level information is really what is required to implement the import prohibition or the import ban, so it's an evolution. The more research that is done over time, the more information we have on specific entities, and the more specific entities we're able to identify, the better we're able to evaluate risk.

The other challenge is research can be done on a great number of entities that are using forced labour or allegedly using forced labour in their supply chains. If there's public information that those entities are doing so but they never actually export to Canada or they never show up in Canadian supply chains, the import prohibition is in place but we really don't have an opportunity to take action against those entities because we never see them.

David McKenzie: It strikes me that, generally, the legislation is in place. We know what we need to prohibit and the legislation is there, so are we lacking government policy or government commitment to make this happen or just the resources on the ground?

Graeme Hamilton: It's a difficult question to answer, simply because we are learning to implement.... We are trying new things. It's an evolution in terms of understanding how best to take this very difficult-to-target commodity and use our tariff classification import ban that we have now, and to ensure that we have good enforcement action, and, more importantly, enforcement action that sticks.

I think when we look at the numbers that my colleague, Mr. Lawton, has presented today, we see that a fair number of those

were subsequently released into the Canadian economy. We want to make sure that when we take enforcement action, that enforcement action sticks, so it's a bit of a learning process for us, obviously. We've touched a little bit on the information deficit. Obviously, there are a number of priorities at the border. The CBSA is in charge of enforcing over a hundred different acts and thousands of different regulations that come into play on goods that come into the country. There's obviously a huge focus on supply chains and supply chain fluidity. We don't want to necessarily be a roadblock. We already understand that borders and ports can be seen as a choke point. We want to make sure that that's moving through but that we're also undertaking the very important enforcement component of our mandate, not just a facilitative one. That's all a balance.

Mr. Lawton spoke a little bit to the risk-based approach that we're taking. We're trying to ensure that we're assigning resources against the risks that we've identified. However, it is a challenge, and it is an evolution on a daily basis.

• (1615)

David McKenzie: Thank you.

The Chair: Thank you very much.

Madam Lapointe.

[*Translation*]

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

Welcome to the witnesses.

A significant chunk of North America's textile industry is based in Quebec.

Have you assessed the forced labour risk associated with products from China? Many of our textiles come from China.

[*English*]

Alexander Lawton: From a risk perspective, the first step is, essentially, to identify a given commodity, such as textiles, from a given country or region. At that point, we have a basis to begin more in-depth research into the entities involved in that region, that industry, for example, the textiles from a specific area of China. That's where the difficulty really starts.

We know that we need to look for entities within that area, within that industry. What we'll generally do in our approach is be able to articulate that information need and then begin using our information networks to try to determine what information is available concerning, in this case, specific textile manufacturers, specific textile entities, within a given area of China. This could be through other partner departments here in Canada, such as ESDC with its labour program, through publicly available research or through information that's been found by the United States, for example. We'll begin to gather information on those specific entities and then start placing those entities within supply chains that supply Canada. If we're able to do all that, then we're able to link it to specific importers and specific shipments, and we're able to take that detention action.

[Translation]

Linda Lapointe: Do you work with the people at the embassy in Beijing?

Do you deal with trade commissioners in China, or do you work more with other countries to identify areas in China that are problematic?

[English]

David Hutchison: Madam Chair, I would say that the important issue of forced labour is a whole-of-government effort. The CBSA is not alone. There are a number of departments that work collaboratively with it on this issue. Our embassies, especially the trade commissioners, do not have a mandate to monitor imports into Canada. The central focus of the trade commissioner service is to seize opportunities in foreign markets by selling our goods and services in those markets.

[Translation]

Linda Lapointe: You said you had seized shipments.

Is seizing shipments your only way of checking? Are they containers?

[English]

Alexander Lawton: No, we are looking at the other measure that the CBSA has implemented or is implementing, which is what we call a trade advisory notice. It's an educational notice to importers that we've identified as importing goods that are at a high risk of forced labour, whether it be because of the industry or the region.

• (1620)

[Translation]

Linda Lapointe: Sorry to interrupt, but I have a limited amount of time.

Does it happen mainly at ports, specifically the Vancouver port?

[English]

Alexander Lawton: Generally, when it comes to detentions, the detentions take place at the port. When we talk about education and educational efforts and importers, they could be across Canada.

[Translation]

Linda Lapointe: As I'm sure you know, people receive orders from new Chinese clothing chains. Temu and Shein, for example,

are penetrating the Canadian market in a big way. Their products come into the country by parcel.

Do you check the origin of those products?

[English]

Alexander Lawton: One of the factors we look at when we're trying to determine whether goods are made with forced labour or what goods to detain is the entity, ultimately, but that entity decision, identifying those companies and those exporters, necessarily involves looking at certain countries, certain regions and certain industries that will eventually lead us to the entity. Yes, we do consider the country of origin and the country of export when identifying goods to detain.

Graeme Hamilton: I'll just add one quick clarification, if possible.

Your earlier question was whether these detentions take place in ports of entry like the port of Montreal or the port of Vancouver. That is absolutely true. They do, but the customs tariff as well as the application of the Customs Act are not limited to marine ports of entry. It could equally take place at airports for courier shipments that are coming in. It could equally be applied in warehouses where goods are held in bond as well. There's a broad application. It's not limited to just marine ports. The ability for us to enforce the forced labour ban is not just strictly limited to marine shipments.

The Chair: Thank you very much.

Mr. Mantle, go ahead for five minutes, please.

Jacob Mantle: Thank you, Madam Chair.

Mr. Lawton, you referred to high-risk goods or entities as one of the metrics you use to determine whether to interdict goods. Would goods or a company that have been identified by U.S. Customs and Border Protection as problematic make that high risk, in your opinion?

Alexander Lawton: It's definitely one of the factors we look at. It's a risk indicator, by all means. From that point, it's one risk indicator. That will be the starting point for our research. What was the basis for the United States making that decision? It does have a lower bar in terms of the standard of evidence. Can we supplement whatever they have to put it to the position where—

Jacob Mantle: Have you looked at the Giant bicycle company and the bicycles in Canada? Have you investigated that?

Alexander Lawton: To be honest, I'm not sure about specific entities and to what extent we've looked at that specific entity. I think it would have to be something we'd get back to you on.

Jacob Mantle: Mr. Hamilton, you spoke about the import ban as being a strong measure because it's a complete ban and we don't need carve-outs. Let me suggest to you that the ban is a paper tiger if you don't enforce it.

From the evidence that we've heard today, it seems to me that our enforcement is lacking, and I'm trying to figure out why that is. Is there a lack of institutional capacity? Is there a lack of political will to enforce this?

You said that this was a new line of business. I'm not persuaded by that. This was negotiated in the last CUSMA when it was created and was agreed on in 2020. It has been five years. How many more years do we need for the CBSA to be serious about forced labour?

Graeme Hamilton: I would say that the CBSA is serious about ensuring that it implements the laws of Canada, this being one of them. As my colleague, Mr. Lawton, has already testified, there are active approaches being undertaken on a daily basis related to this, and we stand behind that work.

Jacob Mantle: How should we measure your success? If you come back in a year, how should we measure if you've been successful in enforcing this ban, then? You said there's the will and you said there's capacity, so how should we measure that?

Graeme Hamilton: I'm sorry, Madam Chair. I'm not in a position to articulate what an appropriate measure of success would be in a future state.

Jacob Mantle: You also mentioned that the import ban is more widely available as a tool. As you're probably aware, it's illegal to possess prohibited goods anywhere in the country under the Customs Act. Is my understanding correct? No matter where they are, whether they are at a port of entry, in a warehouse or it's an EV battery sitting on a car manufacturer's factory floor, it's illegal to possess goods that are illegally imported under the Customs Act. Is that correct?

Graeme Hamilton: I don't want to speculate. I'm not sure of that off the top of my head.

• (1625)

Jacob Mantle: Have you conducted any trade compliance verifications post importation with respect to forced labour?

Graeme Hamilton: I may defer to my colleague, Alex. I work on the strategic policy side of CBSA in looking at existing authorities that are in place, but on the operational side in terms of the activities related to enforcement that are being undertaken, I'll defer to my colleague, Mr. Lawton.

Alexander Lawton: Generally, trade compliance verification actions don't look at prohibited goods. For prohibited goods, the primary means of enforcing any sort of import prohibition is at the border.

Jacob Mantle: To me, that seems like a gap, because if things get through the border, then they get through the border.

With respect to other trade programs, CBSA vigorously enforces and audits. If they're looking for government revenue, they will audit all the time, but it seems like you're not doing that with forced labour.

You spoke about educational activities. Why don't you publish information about the companies that are involved, the goods that are involved and where those goods were made? If I go to the U.S. CBP's website right now, there's a dashboard, as I'm sure you're aware, for withhold release orders and the UFLPA.

Why is there nothing similar? Why doesn't the importing community know what activities the CBSA is undertaking?

Graeme Hamilton: Thank you very much, Madam Chair, for the comment.

There is certain information that has been made available by the CBSA in the format of the trade advisory notifications that were referenced by Mr. Lawton earlier. There's obviously our public departmental memos that are posted. There are websites hosted by the Department of Public Safety as well and related to forced labour. Those are the activities we're currently undertaking.

I may defer to Mr. Hutchison if he wants to provide anything more in terms of the the broader Government of Canada approach to awareness around forced labour.

Jacob Mantle: I'm interested in the importing community. I'm sorry. I don't need to hear about the trade commissioner service aspect there.

I have one more question.

The D-memo with respect to forced labour is dated 2021. There was a proposal to revise that. Where is that proposal? Will it be revised? That's the only public information we have, really, about how the CBSA enforces that. What's the status of that?

Alexander Lawton: It is currently in the final stages of revision and is expected to be published very shortly. I don't have the specific date. I apologize.

Jacob Mantle: What does very shortly mean? Can you be a little more specific? Are we talking one quarter or two quarters or more?

Alexander Lawton: I wouldn't want to commit myself, because I suspect that as soon as I do, something will happen, but within, I would hope—

Jacob Mantle: Commitments also encourage people to fulfill them.

Alexander Lawton: I suspect within the next quarter, by the end of fiscal 2026, so by March 2026, that should be published.

The Chair: Thank you very much.

Mr. Naqvi, please.

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

Thanks to all of you for being here and for the hard work you do.

This is obviously the kind of work that requires probably a lot of international co-operation to work with other jurisdictions. I want to hear your feedback on how that process works in terms of co-operation with like-minded countries when you're trying to do the due diligence and the tracking of compliance when it comes to forced labour. I'm thinking of work that may happen along with the United States, officials, the European Union, etc.

David Hutchison: Madam Chair, this is certainly an issue of importance in our international dialogues and in our diplomacy. It's an issue that is talked about frequently at the OECD amongst the like-minded. It's an important issue there.

It's an important issue at the United Nations, where there are bodies that include an annual UN human rights forum which Canada attends. It is an ongoing topic of conversation, including with, as you mentioned, the European Union.

In terms of operational co-operation, I believe that CBSA has very vigorous relationships with partners.

Graeme Hamilton: Maybe I'll supplement that quickly.

In terms of our co-operation with the U.S., as well as Mexico, I think I testified earlier that there are ongoing conversations related to forced labour, where there are technical exchanges and information exchanges under the rubric of CUSMA co-operation.

Bilaterally as well with the U.S., there's specific information sharing. We have been hosted by our U.S. colleagues in their forced labour targeting centre in New Jersey—I believe it was last year—in order to better understand how they're using the information they are able to get on their supply chains in order to effect, at the end of the day, effective targeting on goods coming into the U.S. economy.

• (1630)

Yasir Naqvi: Mr. Hutchison, you talked about the multilateral engagement on this issue and the ongoing conversations within the United Nations framework and OECD.

Can you highlight for us some of the policy concerns that are raised internationally? What kind of discussion is taking place to try to figure out policy solutions in a multilateral framework to deal with issues around forced labour?

David Hutchison: Madam Chair, that is a very good question because it is such a complex issue facing the international community. You run into questions of sovereignty and enforcement. There is only so much you can do as a country when products are arriving on your shores that come from elsewhere.

Another challenge that various governments have expressed—I have heard this from some like-minded Europeans—is balancing the challenges that we're all facing, like the headwinds that we're facing in our economy and our efforts to grow our economy, with, conversely, the need to potentially consider various regulations that come with costs to both businesses and consumers.

That balancing act is something that many governments around the world have considered and discussed.

Yasir Naqvi: Some issues have a regular rhythm, where plenary sessions or policy proposals are continuously advanced.

Is the issue serious enough to see that level of engagement and work toward some sort of an understanding, protocol or regime internationally so that countries, especially countries that are allies, have similar systems in place and can share resources to clamp down on forced labour?

David Hutchison: Madam Chair, there are often discussions about the need to have a consistent approach, because there is no sort of uniform approach. One thing we hear from the business community is that there be consistency and that they not be asked to adhere to different regulations in different territories.

At the OECD, this is an ongoing conversation, but at this point I would say it's mostly technical. It has not risen to a high political

level in terms of negotiating a multilateral understanding or anything of that nature.

The Chair: Thank you very much.

Mr. Savard-Tremblay, go ahead for two and a half minutes.

[*Translation*]

Simon-Pierre Savard-Tremblay: My first question is for the CBSA officials.

I introduced Bill C-251. I'm not asking you to comment on the bill, of course. I know your job is to enforce the measures in the act, not to make recommendations.

The bill would add subsection 101(2) to the Customs Act and make it mandatory to detain goods from designated areas or entities. It would incorporate the notion of areas into the act, something you talked about. Under the bill, Canada would adopt the same model as the U.S., where goods are detained until it is proven that they were not produced by forced labour.

Say the bill or similar legislation came into force. In terms of operational capacity, what would the agency need to enforce the measures? I'm referring mainly to warehouses, personnel, labs and data.

[*English*]

Graeme Hamilton: It's not my position to necessarily comment on laws that are in front of parliamentarians for consideration. Generally speaking, as a border agency, there are several principles that I can speak to in terms of good management of the flow of goods.

The first one, obviously, would be to ensure that there is a degree of understanding of what is or is not allowed into the country. The ability to ensure there's a degree of preborder or postborder work, so that we're not always working at the choke point of the border itself, is a good principle. Understanding data, as we previously testified, is an important component of that.

• (1635)

[*Translation*]

Simon-Pierre Savard-Tremblay: My question was about what would happen if changes were made to the act. I said "if". I'm not asking you to recommend any changes or to tell us whether you're for or against the bill.

This hypothetical change to the act would require you to detain goods from certain areas or entities suspected of using forced labour until the importer proves otherwise.

Under that scenario, what resources would you need?

Would you need more storage capacity, for instance?

[English]

Graeme Hamilton: Madam Chair, I think it's a very difficult hypothetical question to answer.

It's uncertain how many goods would be detained, and the amount of goods would obviously impact the amount of space required. It would be very difficult for me, at this point, to comment on that, but space would obviously be a question or a concern we would have to think about.

[Translation]

Simon-Pierre Savard-Tremblay: Am I out of time?

[English]

The Chair: You have time for a short question.

[Translation]

Simon-Pierre Savard-Tremblay: My question is a bit long. How much time do I have left?

[English]

The Chair: You don't. I'm trying to give you a bit more time. Do you have a pressing question that you need to ask?

[Translation]

Simon-Pierre Savard-Tremblay: I'll save it for the next round, then.

[English]

The Chair: Next, I have Mr. Chambers and then Mr. Fonseca. Then it will depend on how the committee wants to deal with the balance of time.

Mr. Chambers, go ahead for five minutes, please.

Adam Chambers: Thank you very much, Chair.

Thank you for coming to this committee, and welcome back.

My understanding is that you've had four ministers in the department in five years. There have been four public safety ministers in five years. Is that about right?

Graeme Hamilton: It could be. I'm not sure. I'm not counting.

Adam Chambers: On point, every time there's a new minister, they have to find out what the departmental priorities are.

I sense that the reason there hasn't been as much enforcement is that it's not a political priority for the government. You don't have to answer that because I know it's not your place. However, when you have four ministers in five years and when you compare us to other jurisdictions, there's something there that's not quite aligned, whether it's institutional capacity or something not coming down from the top.

Have any of you been in a meeting with the minister where forced labour has been brought up?

Graeme Hamilton: Madam Chair, I'm not a frequent briefer of the minister on any topic, nor have I briefed him specifically on this.

Adam Chambers: Sure.

Are you aware of any briefing with the minister where forced labour has been brought up?

Graeme Hamilton: I'm sorry, Madam Chair. I'm not privy to the briefing schedule and cycle that he has, so I wouldn't want to testify. I am personally not aware, but that is not to say it is not the case. I do not have full visibility of his calendar of briefings.

Adam Chambers: Right. However, if you've been sent here to the committee to talk about forced labour, I would assume that you would know what's happening in the department on forced labour or know when that's being discussed with the minister.

Graeme Hamilton: Madam Chair, we've certainly provided information, notes within the system, about where they go and who they brief.

I really couldn't comment on any advice that's been provided to the minister or any documentation that may or may not have made it to his desk.

Adam Chambers: To your recollection, though, you're unaware of....

Graeme Hamilton: I'm not personally aware of anything.

Adam Chambers: That's fine.

I noticed in the departmental report, or the strategic plan, that it talks about some relationship you have with ESDC. I won't ask you to explain that today, but I would request that you provide in writing to this committee, if possible, how you interact with ESDC, as well as a list of other departments that you also interact with across the government, regarding forced labour. Finally, could you provide the number of reports you got last year from ESDC about concerns that were flagged? Are those things you could provide to the committee?

● (1640)

Graeme Hamilton: We can certainly provide those.

I would just very quickly say that I did respond on the briefing to the minister in my capacity at CBSA, but the minister himself obviously has a portfolio, including my colleague who works for Public Safety Canada proper, so I would consider my answer as a partial answer and not as a whole answer. There may be other things in the system as well.

Adam Chambers: We'll wait for anyone in the department to tell us the last time they briefed the minister on forced labour.

I'll yield the rest of my time to my friend in the Bloc.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you.

Roughly how much time do I have? I'd like to know before I get started.

[English]

The Chair: You have one minute and 20 seconds, but we'll give you one minute and 50 seconds. We just talked for a second there.

[Translation]

Simon-Pierre Savard-Tremblay: That's very generous of you, Madam Chair.

This question is for the Department of Foreign Affairs, Trade and Development official.

The Americans have been very clear that Canada is a weak link in the effort to ban forced labour. They say so openly as well as behind closed doors. It is also important to keep in mind the geopolitical game that's been going on between the U.S. and China's leadership for a while now.

Are you worried that that view will hurt trade relations between Canada and the U.S.?

Do you think it erodes the Americans' confidence?

[English]

David Hutchison: Madam Chair, the committee may appreciate that I'm not in a position to comment on the United States' policies or the reasons for those policies.

[Translation]

Simon-Pierre Savard-Tremblay: I'm going to have to ask another question. I thought you would have more to say.

Why is Canada taking so long to put due diligence measures in place when so many other countries are doing it?

I'm sure you're going to say that we are responsible for that and that it's a political matter.

[English]

David Hutchison: Madam Chair, the member speaks to the important role parliamentarians have in terms of the legislative agenda. We're not in a position to comment on the legislative agenda.

[Translation]

Simon-Pierre Savard-Tremblay: My last question is for the Department of Public Safety and Emergency Preparedness official. Again, I'm not asking you to tell me what you think or whether you're for or against the legislation I proposed, Bill C-251.

Under the bill, your department would be responsible for designating at-risk countries or areas, establishing a list of problematic entities, as is the case under the U.S. model, and reviewing the list every five years.

Objectively speaking, does the department have the capacity to do that?

[English]

Jennifer Esdaile: Madam Chair, this is something that I can't comment on at this time.

[Translation]

Simon-Pierre Savard-Tremblay: I have no further questions.

[English]

Jennifer Esdaile: We would need to assess any authorities.

The Chair: Thank you very much.

Mr. Fonseca, go ahead, please.

Peter Fonseca: Thank you, Madam Chair.

I may have some extra time at the end. I can cede some of it to Simon-Pierre.

My questions are about those 48 shipments that we had coming in. Are the importers of that material red-flagged? Those are the importers who were importing the material that was coming in via those 48 shipments.

Alexander Lawton: The basis for those detentions would have been the exporter or the supply chain. It would not have been the importer. The detention would have taken place regardless of who the importer was.

Moving forward, if the goods detained are found to have incorporated forced labour, those goods are prohibited. At no point does that necessarily mean the importer is red-flagged. The exporter in that supply chain is. If that importer were to try to bring in more goods from that same exporter from that same supply chain, yes, there's a high degree of certainty that those goods would be detained a second time, but not necessarily as a function of who the importer is. It's who the exporter is, who the supply chain is, and the fact that there's forced labour in that supply chain. The importer itself really doesn't have a role, necessarily, in terms of risking.

Peter Fonseca: The importer may be importing again from that same region.

• (1645)

Alexander Lawton: Exactly.

Peter Fonseca: There may be a high likelihood of that.

Alexander Lawton: It may be something that we would look at. There are lots of hypotheticals.

If an importer has a history of importing from a given region or given entities, and those entities have been identified as having forced labour within their supply chains, yes, there's a high likelihood that those goods would be detained. However, it's not necessarily a function of who the importer is. It's a function of what those supply chains are and who they're buying from.

Peter Fonseca: Once those ships have been released and they're off to another port, do they go back to their home port where the material came from, or are they trying to transship through some other port? Is there a network where everybody is informed about a particular ship?

Alexander Lawton: I assume this is with respect to the shipments that were re-exported after having been detained. In that case, generally, we are able to share information with our closest partner on our largest land border, with the United States. If the goods are being exported somewhere else to another offshore overseas, we generally don't have any information about the ultimate destination of those goods, so we're really not able to do any sort of liaison work. It's really the goods have left Canada, and we know they're not going to the United States, so where they end up is not necessarily within our sphere of knowledge.

Peter Fonseca: There's no global sharing?

Alexander Lawton: No, there's no global network for sharing information of that nature.

Peter Fonseca: When one of those ships arrives.... We see these large ships filled with hundreds or thousands of containers. I don't know how many containers are on these ships. How would you find this material? Would you randomly open up one of the containers, look at what's in there and then see if it has come from a particular region?

Alexander Lawton: No. Essentially, much like for a number of pieces of legislation we administer, we receive advance information with respect to commercial goods coming into the country. We're able to identify what's coming in before it arrives and make the arrangements necessary to detain the specific material, specific goods, that we're looking for within a much larger shipment or series of shipments.

Peter Fonseca: For that whole ship, it's not like every container would have that type of material. They can have all sorts of containers that have come from different sectors, different industries. Is it the whole ship, or is it just a particular container, or a number of containers?

Alexander Lawton: It's not necessarily a marine ship that's being detained, or the goods on a marine ship. At times goods can arrive via air, or even via land if it's been redirected from the United States.

When it comes to marine shipments specifically, it's the specific goods that are detained, not everything on a ship, not even necessarily everything within a shipping container. It's only the goods that we're looking at, that specific commodity, those specific goods. I'm trying to find a synonym, but I can't.

Peter Fonseca: Ninety per cent of that ship could be unloaded.

Alexander Lawton: Provided that 90% of the ship contains something other than what we're looking for, what we've targeted, then yes.

Peter Fonseca: Okay.

Simon-Pierre, you have about a minute.

The Chair: This is your study. Go ahead. You have two minutes.

[*Translation*]

Simon-Pierre Savard-Tremblay: Thank you. Again, it's very generous of you.

I don't think I'm going to get any real answers to my questions. I'm not criticizing you for not giving me answers. I understand that it's not part of your role.

I must say, though, in all honesty, I wasn't asking you whether you were in favour of my bill, or whether you thought it was a good or bad idea. Rather, I was asking you a hypothetical question about your operational capacity. In other words, would you have the data, staff and resources to implement the bill?

Even though I emphasized that I was asking you whether the bill could be implemented, not what you thought of it, you refused to answer a number of times. Therefore, I don't see what more I can ask you.

[*English*]

David Hutchison: Madam Chair, I feel like there was a question there that I would be happy to answer.

The Chair: Please do.

David Hutchison: In my experience, particularly when we're dealing with proposed government legislation in which the public service would be supporting the preparation of that legislation, there's very intensive analysis done on the potential costs and resources required to implement a new course of action, or new legislation. I think any time the government or private members are considering legislation, it is essential to look at what the costs would be to government operations to implement an effective piece of legislation.

• (1650)

[*Translation*]

Simon-Pierre Savard-Tremblay: Actually, I have a good question for you. You just gave me an idea. This will be my last question.

The budget that was presented in March 2023 says in two places that the government would be introducing similar legislation to the bill I introduced a few weeks back. The bill seeks to establish a reverse onus and give the department the responsibility of establishing a list of entities presumed to have used forced labour.

The 2023 budget says that the government will introduce legislation by the end of the year. The following budget, which came out in March 2024, says the same thing. By the end of that year, the government was supposed to bring forward legislation. It didn't happen in either year.

Would you be consulted in a case like that?

If I come back to what you just said, the government consults the public service before introducing a bill, to make sure the resources are in place. The government seemed ready to move forward.

Were you told something was coming down the pike? Were you consulted on the feasibility of the legislation?

Any of the witnesses can answer.

[English]

David Hutchison: Madam Chair, for any piece of proposed government legislation, there's a very rigorous process that is undertaken: policy approval by cabinet, funding decisions by the Minister of Finance, etc. I'm not in a position to comment on those discussions during the last government, but suffice it to say that any legislation or government action that is considered does go through a rigorous process of considering all of those elements.

[Translation]

Simon-Pierre Savard-Tremblay: Now I'm going to ask Ms. Esdaile and the CBSA officials.

Were you consulted?

Did the government inform you that it would be bringing forward legislation soon and consulting you on its feasibility? This would have been a few years ago.

[English]

Graeme Hamilton: Madam Chair, I wouldn't want to speculate about advice that may have been provided to a previous government. I'll just leave it at that.

The Chair: Thank you very much.

Committee members, it's eight minutes to five.

Does anyone have any burning questions they would like to ask our witnesses?

Peter Fonseca: Madam Chair, I do have one.

This involves the auto thefts that we see in Canada. I understand that organized crime, on whatever documentation there is for export, will put something like "mattresses", but the container will be filled with cars and then the container is shipped out to Africa or wherever. How is that stopped?

I know this doesn't have to do with forced labour, but I do want to ask the question. How does that happen? How do our ports allow for somebody who's putting...? In that case, on forced labour, could that not also be happening in other countries, where what they're putting on the documentation is not what's in the container?

How many containers are actually checked? How do you know what is in a container? When you've opened up containers, what have you found? Have you found that the product that is listed on the documentation is not the product that actually is in the container?

Graeme Hamilton: Madam Chair, it's an interesting question.

Alex is on the trade compliance side and less so on the enforcement side. There are challenges with export as well. Mr. Lawton testified earlier about the advance information that the CBSA is provided, advance commercial information before shipments arrive. That's the basis we use for targeting.

For shipments that are leaving Canada, I think members can appreciate.... Anyone who's driven up to the U.S. border, for example, they don't phone ahead to say that they're coming. You can just present and you can export, which provides challenges with respect to doing the same level of targeting in order to look at shipments on the way out.

I think SECU was studying, clause by clause, Bill C-12 earlier this week. There are a number of measures proposed in there that are designed to assist the agency with strengthening its capacity to do export-related examinations. I provided testimony on that earlier this week. I invite the member to look at that in terms of some of the activities the agency is doing in order to strengthen its ability to target exports, including those that are misdeclared to the agency, which, as he mentioned, is possible.

• (1655)

The Chair: Thank you very much.

Go ahead, Mr. Mantle.

Jacob Mantle: Thank you, Madam Chair.

Based on the testimony we've heard, I think members are seized with this issue.

My question is actually for the clerk as to whether our request to have the minister appear has been sent and, if it has, has he received a response.

The Clerk of the Committee (Grant McLaughlin): Yes, the minister has been invited. I am still waiting for a response.

The Chair: Is everybody good? All right.

Thank you very much.

You gave us an hour and a half. I know these are pretty interesting times, and it's an important issue that we all care very much about. Thank you for your patience and time. Who knows. We may have you back soon for some other issues we're dealing with.

We will suspend for a minute.

• (1655)

(Pause)

• (1700)

The Chair: Before we get into the balance of our agenda, Minister Joly has confirmed that she will appear on December 4 from 3:30 to 4:30.

Also, the liaison subcommittee yesterday approved our request for travel to Brazil and Argentina. It still has to be adopted by the House, but we feel pretty certain it will go through. The travel dates more or less would be March 28 through April 4.

Our upcoming meetings are as follows: Monday, December 1 is CUSMA. Thursday is the minister for the first hour, and then we're back to forced labour for the second hour. Monday, December 8 will be the final meeting on forced labour. That's where we are right now.

Now, we'll get into the motions that we have on the floor.

I understand, Mr. Chambers, that you need to move a motion.

Adam Chambers: I believe there's one being circulated currently, Madam Chair, which I don't think has been on this side of the table yet.

Yasir Naqvi: It's coming.

[*Translation*]

Simon-Pierre Savard-Tremblay: Thank you.

[*English*]

Adam Chambers: After some late-night discussions, as encouraged by you, Madam Chair, in the spirit of collaboration, I think I understand....

I just want to check with my colleague to make sure that his last—

[*Translation*]

Simon-Pierre Savard-Tremblay: Mr. Chambers and I discussed it, but I'll be proposing a very simple amendment that shouldn't give rise to much of a debate. I don't know whether Mr. Chambers had a chance to discuss it with the committee members.

It is very straightforward. It's just that, at the end—

[*English*]

The Chair: Why don't you move your motion.

[*Translation*]

Simon-Pierre Savard-Tremblay: I see the amendment I was going to propose has already been added. Very good.

[*English*]

Adam Chambers: Okay, I just wanted to give everyone a chance to read it.

I'll read it.

The Chair: Have you withdrawn the previous motion?

Adam Chambers: What I'd like to do is just read this into the record, if that's okay, and give people a chance to make sure we're all good.

The Chair: Okay.

Adam Chambers: The motion reads:

That the committee report to the House that it condemns the unjustified American tariffs on the Canadian steel, aluminum, automotive, and softwood lumber industries, and that it calls upon the government to live up to the promise it made in the election to "negotiate a win" and that all parties wish to see the government succeed in getting a good deal for Canada and its workers as well as the deployment of aid programs for affected sectors.

I believe that it includes suggestions from all parties and that we have unanimous consent. Assuming that we have agreement around the table, I would withdraw the previous motion that was on the table for debate and propose that we adopt this by unanimous consent, if that's the will of the committee, through you, Madam Chair.

The Chair: I have to say that it's an excellent motion, and I want to compliment all of the members for working to find something that reflects how all of us feel. I think that's here, so is there unanimous consent to adopt the motion?

I'm sorry, Mr. Naqvi.

Yasir Naqvi: I just want to clarify that, as the clerk knows, Mr. Chambers is suggesting not only to withdraw his very original motion but also the one he amended in the last meeting with some suggestions from the Bloc. Both of those are wiped clean, and he's introducing a new motion in their place.

The Chair: That's correct, and the same goes for Mr. Savard-Tremblay.

You withdraw the amendment that you had moved previously.

[*Translation*]

Simon-Pierre Savard-Tremblay: If the motion was withdrawn, then logically, the amendment is no more.

[*English*]

The Chair: Exactly. I'm just making sure that everything is straight. One of the things we want to be noted for is being very clear and concise.

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

The Chair: Is there unanimous consent to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

The Chair: Congratulations, Mr. Chambers. It's an excellent motion.

That was excellent work by all of the committee members. Thank you very much.

It's 5:05, so I'm going to adjourn the meeting.

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