



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on International Trade

EVIDENCE

NUMBER 083

Thursday, November 23, 2023

Chair: The Honourable Judy A. Sgro



Standing Committee on International Trade

Thursday, November 23, 2023

• (1110)

[*English*]

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

This is meeting number 83 of the Standing Committee on International Trade.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Therefore, members are attending in person in the room and remotely using the Zoom application.

I need to make a few comments for the benefit of witnesses and members.

Please wait until I recognize you by name before speaking. For those online, please mute yourself when you are not speaking. As a reminder, all comments should be addressed through the chair. If any technical issues arise, please inform me immediately. We may need to suspend in order to deal with any issues. I ask that all participants be careful when handling the earpieces in order to prevent feedback.

I need to remind members, as well, that the deadline to submit amendments to Bill C-57 is this coming Friday by noon. Amendments must be submitted to the clerk in writing. The legislative counsel, Penny Becklumb, is available to assist members to ensure that the amendments are properly drafted.

Welcome to our witnesses. Thank you for coming in a few minutes earlier. It's very much appreciated.

Today we have, from the Canadian Pork Council, René Roy, chair, and Stephen Heckbert, executive director, by video conference. From Finica Food Specialties Limited, a friend of the committee who has been here before, we have Joe Dal Ferro, the president. From United Steelworkers Union, we have George Soule, legislative staff representative. Welcome to you all.

We will start with opening remarks of up to five minutes and then we will proceed with questions.

Mr. Roy and Mr. Heckbert, I invite you to make an opening statement of up to five minutes, please.

Mr. René Roy (Chair, Canadian Pork Council): Thank you for the invitation, Madam Chair, and thank you to the committee members for your work on this issue.

My name is René Roy, and I am the chair of the Canadian Pork Council. Joining me is Stephen Heckbert, who is our executive director.

As the third-largest pork exporter of the world, trade policies are of utmost importance to the prosperity and vitality of the Canadian pork industry. As you know, Canada exports 70% of its pork production to almost 80 countries around the world. We are believers and supporters of free trade and fair trade. That is why we are pleased to be consulted on the upcoming Canada-Ukraine Free Trade Agreement, the CUFTA.

[*Translation*]

Since Russia's invasion of Ukraine, Canadians have felt a significant impact on their exports, putting the food security of both our countries at the forefront of conversations. The Canadian government's trade action plan plays a critical role in securing benefits for Canadian pork producers. As an industry, we believe in free trade and we support the Canada-Ukraine Free Trade Agreement.

[*English*]

CUFTA gives us an opportunity to eliminate a majority of Ukraine's agricultural tariffs and have an interesting level of duty-free access. For the hog industry, it is essential that our products benefit from a large and duty-free tariff rate quota that exceeds, by a wide margin, Canada's current exports to Ukraine.

Some agreements, like CETA, do not meet the necessary standards of open trade and undermine the principles of free and fair trade. That's why we urge the committee to be vigilant to ensure the science-based principles that govern our trade are protected should Ukraine ever be invited to join CETA. As it stands, the CUFTA allows the Canadian pork industry to benefit from competitive access to this international market.

[*Translation*]

All long-term projections of global demand for pork meat indicate long-term growth. Canada's ability to supply quality pork to the world will be part of our contribution to the growth of the Canadian economy. We know that the future of Ukraine is uncertain, and we are proud to support Ukraine with our government. Pork producers have been among the most affected, as Russia had been a growing market for our products in recent years. We want to make sure that we support Ukraine by providing quality, nutritious products that can help Ukraine feed its people.

[English]

We hope that the committee continues to ensure that food security is a key part of our free trade positioning as it previews this and all trade agreement files.

Thank you, Madam Chair.

The Chair: Thank you very much, sir.

Mr. Dal Ferro, please, you have up to five minutes.

Mr. Joe Dal Ferro (President, Finica Food Specialties Limited): Thank you, Madam Chair.

Good morning, members of the committee. My name is Joe Dal Ferro, president of Finica Food Specialties Limited.

Founded in 1968, we were one of the leading importers of gourmet foods from across the globe, including cheeses from the U.S. and much of Europe, including Ukraine.

First and foremost, I'm here to express my support for the Canada-Ukraine Free Trade Agreement. If Canada is to aid in Ukraine's reconstruction, it is imperative that we foster and grow our trade relationship; however, while we at Finica are very interested in doing our small part to try to support Ukraine's agricultural sector, I'm also here to provide the real-world perspective on the obstacles we have faced trying to import agri-food products from Ukraine, despite the clear consumer demand in Canada.

With that in mind, I will offer some recommendations on how Canada can address the barriers we have faced either through this bilateral trade agreement or through some other mechanisms.

Finica accepts the rationale underlying Canada's supply-managed dairy sector. While we certainly have raised objections to some of the ways in which the system is administered, we are not advocating for its dismantling.

Earlier this year, Finica and its parent company were approached by the Ukrainian dairy company Piryatin, which was looking to export to Canada. We were and continue to be thrilled at the prospect of helping a company break into the Canadian market. Since it was clear that there exists a demand among Ukrainian Canadians who are looking for a taste of home despite being thousands of miles away, Finica agreed to import a small quantity of two types of Piryatin's cheeses.

Given that it was to address a very specific need and a demand that could not be met through domestic production, this small quantity of cheese, barely the equivalent of 20,000 kilograms, is by no means any threat to Canada's domestic producers. Almost a year has passed since the start of this project, and we continue to face significant delays, some of which can be attributed to the trade barriers inherent to Canada's quota system.

Indeed, given that no additional market access for Ukrainian cheese is provided through the 2017 and 2023 Canada-Ukraine Free Trade Agreements or through the 2023 Ukraine goods remission order, we've had to rely on the non-EU reserve of the WTO cheese of all types TRQ. This quota, which is small, already has a very high utilization rate. This high utilization rate is no surprise, given that the quota is shared with the U.S., Switzerland and Nor-

way, and perhaps will also be shared with the U.K. as soon as January 1, 2024, if the cheese letters are not extended.

The uncertainty surrounding the United Kingdom's situation has led several businesses across the country, including mine, to try to bring in as much British cheese as possible by the end of 2023. Unfortunately, because of this planning decision, we had to delay our plans to import Ukrainian cheese.

Let me be clear. Had industry been provided with more advanced certainty with regard to the cheese letters and the U.K.'s standing within the WTO TRQ, we most certainly would have been able to have Piryatin's cheese on Canadian grocery store shelves by Christmas.

While we are disappointed that the 2023 Canadian-Ukraine FTA does not address the trade barriers we have faced, we want to provide two recommendations to this committee to help SMEs like Finica avoid the barriers to trade outlined above.

First, if the government opts not to include an agriculture chapter with market access concessions in the Canada-Ukraine agreement, it should reconsider its decision to exclude supply-managed sectors from the goods remission order that was issued. The inclusion of Ukrainian products in the goods remission order would constitute a very small demonstration of Canada's willingness to put Ukraine's wartime needs ahead of the needs of Canada's thriving domestic sector. Let's keep in mind that the small quantity that Finica has been planning to import should by no means be considered a threat to supply management.

Second, Canada should use the TRQ review as an opportunity to revise its quota allocation and administration policy to ensure that Canada is honouring its trade agreements so that we can maximize the existing promised access and ensure that import programs like these are given the best chance of success.

Thank you, and I look forward to your questions.

• (1115)

The Chair: Thank you very much, Mr. Dal Ferro.

It's on to Mr. Soule for up to five minutes, please.

Mr. George Soule (Legislative Staff Representative, United Steelworkers Union): Thank you, Madam Chair.

Through you, thank you to the clerk and all members of the committee for the opportunity to join you here today.

[Translation]

The United Steelworkers Union is the largest private sector union in North America, with over 225,000 members in Canada and 850,000 members in North America in virtually every economic sector, including, for the purposes of this discussion, energy, potash, and steel.

[English]

We are committed to ensuring that our members, as well as all workers in Canada and around the world, are treated with dignity, respect and fairness. Today, in my brief remarks, I'm here to join our voice with those who have already shared with you concerns with the investor-state dispute settlement. I would also like to raise some concerns regarding labour-specific issues within the agreement.

As others have said, the committee should recommend the removal of the investor-state dispute settlement process, or ISDS, from chapter 17. While some will argue that Ukraine is not opposed to it—in fact, it may have requested it—context, as always, is important. Ukraine is a country understandably in great need of foreign investment, but experience and, frankly, common sense show that ISDS would likely hinder, not help, the goals of sustainable reconstruction and economic development in Ukraine. It's also unnecessary for attracting Canadian investment.

By design, the investor-state dispute settlement process hinders the ability of states to regulate and govern for the common good. They are expensive for governments as well. Tribunals far too often side with corporations, awarding huge settlements that Ukraine can ill afford now or in the postwar period.

Further, in this treaty, states have no ability at all to file counterclaims against corporations. The entire process is only accessible—

• (1120)

The Chair: Excuse me, Mr. Soule. Can I just interrupt you? I apologize.

A vote has been called. It's 29.25 minutes away. Is it the approval of the committee to continue until approximately 10 minutes before the vote? Is that okay with everybody?

Some hon. members: Agreed.

The Chair: Fine. Thank you.

I apologize. Please continue.

Mr. George Soule: Further, in this treaty, states have no ability at all to file counterclaims against corporations. The entire process is only accessible to foreign investors.

For example, from a worker's perspective, foreign investors can bring their own dispute directly to tribunals, but the labour chapter explicitly notes that workers are dependent on the state to bring claims forward to uphold their rights. This is concerning for some obvious reasons, not the least of which for us—as the union that led and won, thanks to this government, the fight for unions here in Canada to have the right to file our own trade complaints on behalf of our members, but also in general—is when we see some of the recent and deep restrictions in Ukraine on workers' rights. The

labour rights of 94% of Ukrainian workers have all but been abolished, including the elimination of their right to organize.

Moves like these, as well as others endorsed by the ISDS, push Ukraine further away from the principles and norms of European legislation and ILO conventions, as well as the conclusions of scientists and experts. The often lauded conditions within the agreement promoting human rights and environmental due diligence have no teeth.

I hope we can all agree that, when engaging in bilateral agreements, Canada should be looking to improve human rights, including labour rights and working conditions.

As it has been noted by many other witnesses, there is still time to get closer to that goal and remove the ISDS. With CETA and CUSMA as recent examples, we know it's possible. Besides, why else are we all here if not to make this agreement as strong and as good as possible?

Thank you very much.

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

We'll go on to the members for their questions.

We have Mr. Baldinelli for six minutes, please.

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Madam Chair.

I'd like to thank the witnesses for being with us today.

I'm going to begin with Mr. Dal Ferro from Finica Foods. Thank you so much. It is very good to see you again here today.

I find it interesting that in your comments you were talking about how some of the obstacles you face for increasing trade with Ukraine are government-imposed. Some are government problems. You're looking at bringing in a small quantity of two cheeses—you're saying at 20,000 kilograms—and you're talking about the TRQ process, which hasn't been updated.

I believe the last time we spoke, which was the last time you were here delivering testimony, it was you who talked about how the TRQ system had undergone a review process, beginning in 2019. Is it your comment and testimony that we still have yet to get to that updated TRQ process?

Mr. Joe Dal Ferro: Thank you for your question.

The process began in 2019—that is, the TRQ review—but it's been stalled due to numerous reasons. That said, it makes it very difficult for companies like mine to import cheese due to the complexities of the TRQ allocation models.

Mr. Tony Baldinelli: That's despite the fact that there are no Canadian processors that can provide that type of cheese. Is that correct?

Mr. Joe Dal Ferro: Again, sir, it has to do with the Canadian allocation model. Had we been able to have supply-managed sectors reinstated in the goods remission order, we could freely bring in some cheese from Ukraine. Unfortunately, it's been removed so that we have to use the WTO non-EU quota, which is already the most utilized of all the quotas in the TRQ system.

Mr. Tony Baldinelli: If you had to make a recommendation... For example, earlier, you said perhaps we could follow up on your first recommendation that, if the government opts not to include agricultural chapters, specific mention should be made with regard to the remission order.

Can you provide a little more detail on that? If we make some recommendations, it could assist. If we're trying to facilitate trade and enhance the ability of Ukraine to trade, if we could make changes, that's something we could recommend.

Mr. Joe Dal Ferro: In the immediate short term, it would be removing the supply-managed sectors from the goods remission order. That way, Canada can gain access, again, to small quantities of cheese from Ukraine.

The second one would be a full TRQ review, whereby we revisit the allocation models of the tariff rate quota on cheese and make them more conducive to trade in Canada.

• (1125)

Mr. Tony Baldinelli: That's the disappointing thing. You talked about a full review of the TRQ process. Again, that was initiated in 2019.

What are the results of that? Where is that report?

Mr. Joe Dal Ferro: Unfortunately—great question—it has stalled. It's still in the stalled process, and we're awaiting its outcome.

Mr. Tony Baldinelli: Therefore, we're hurting Canadian businesses, and we're hurting the ability of Ukraine to trade at the same time.

I found it interesting when you were talking about what's hindering your ability to trade with Ukraine. It's also the whole situation with the United Kingdom and its leaving the CETA agreement. There are no formal negotiations or agreements between Canada and Ukraine. That then leads to this whole WTO issue and all the quotas contained within it.

Could you give me a bit more detail on that?

Mr. Joe Dal Ferro: Thank you.

It certainly adds to the complexity. Your outline did it very well. Essentially, when the U.K. Brexited from the EU, the Canadian government adopted... Let's call it a stop-gap measure, whereby U.K. cheeses were allowed to be imported into Canada under the

WTO EU quota. This was for a defined period of time, which expires in about six weeks—December 31, 2023.

The mechanism used to grant this extension is called “the cheese letters”. In essence, it gives importers of U.K. cheese the opportunity to import cheese from the U.K. using the WTO EU quota. Effective January 1, 2024, if we do not get an extension of these cheese letters, the importing model for cheeses from the U.K. will revert to the WTO non-EU quota, which, again—as I mentioned earlier—is the most utilized of all the TRQ quotas. We are now joining the company of the United States, Switzerland and Norway—very large cheese exporters to Canada. Now we have to deal with the U.K. entering that fold. It's going to force companies like mine to make very difficult decisions in the next few months.

Mr. Tony Baldinelli: As of January 1, your company could be hurt even further by government inaction.

Mr. Joe Dal Ferro: That's very much so. I'll have to make some very difficult decisions with my business portfolio and my employees.

Mr. Tony Baldinelli: Madam Chair...?

The Chair: You have 50 seconds.

Mr. Tony Baldinelli: I'll cede my time.

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

Mr. Maninder Sidhu (Brampton East, Lib.): Thank you, Madam Chair.

Thank you to all the witnesses for joining us here today.

Mr. Roy, you mentioned the pork industry stands to benefit from this trade agreement with Ukraine. You spoke about markets that you used to have in Russia and the importance of finding additional markets, such as the 80 countries around the world your members currently ship to.

Perhaps you could speak about how your members are increasing trade with Ukraine, so members on this committee can understand why trade with Ukraine is important to you and your members.

Mr. René Roy: Yes.

The pork industry relies on a large number of trade partners or countries. There are some that are more important than others, such as the U.S. China has also been an important trade partner for a period of time.

When it reverts its position, our processors will have to look for other markets quite quickly. Every option we open helps us be more resilient in the face of markets that are closing for whatever reason. Ukraine would be an additional opportunity for our exporters. We have seen a slight increase in the EU lately, but we know it's very hard to enter into the EU because of non-tariff trade barriers. We find it very unfortunate. If trade deals are signed, they should be respected in such a way that we can trade between the two countries. We know that's not the case right now with the EU.

Mr. Maninder Sidhu: Thank you for that.

What I understand is that your members are looking forward to doing more trade with Ukraine through agreements like this, so I think that's important for members to understand.

I'm going to turn to Mr. Soule on the labour side. Our government recently introduced legislation to ban replacement workers in federally regulated sectors. The Harper Conservatives, on the other hand, repeatedly introduced anti-union legislation. How do you feel that the federal government can best engage with labour on macroeconomic issues broadly, and more specifically on trade issues?

• (1130)

Mr. George Soule: Thank you for the question.

As I was saying, obviously, anything we can do to help improve the conditions for workers here in Canada or around the world is important. I outlined some of those ways we can do that within the trade agreement. Of course, if we can tweak anti-scab legislation a little bit to fix some of the things I think need to be improved within that legislation, like getting rid of an 18-month waiting period, for instance, and closing some of the loopholes, which I think remain still, that allow for some replacement workers, then, by all means, that is one way the government can ensure we're supporting workers—absolutely.

Mr. Maninder Sidhu: Thank you for those insights.

We've known for a decade that the Harper Conservatives took a binary approach to trade agreements, where labour rights were always sacrificed. I don't believe labour unions are anti-trade, but of course they want comprehensive and progressive trade deals that work for workers. Can you expand on how labour's view of trade deals has evolved over the course of many years, and why including labour rights in trade agreements isn't as woke as the opposition claims, but is a common-sense approach to encouraging trade in the 21st century?

Mr. George Soule: Sure. I would say, again, to be clear, that we're actually not opposed to this trade deal. We have concerns, as I said, with the ISDS provisions in it, and I think those should be removed. However, overall, trade is an important part of building an economy and creating jobs, of course. On steelworkers, for instance, and talking about steel, which is something we do trade with Ukraine, the fact that we have some of the lowest carbon-emitting steel in the world is something that our members are very proud of. The promotion and the ability for us to trade that on a global scale is what ensures the longevity of our industry and of those jobs here in Canada.

Trade's an important part of how Canada can grow, and obviously we can create and support jobs.

Mr. Maninder Sidhu: Thank you for that.

Since you mentioned steel production and the importance of green steel, as you know, our government has made historic investments in the steel sector, including at the Dofasco plant in Hamilton and the Algoma plant in Sault Ste. Marie. I want to know why the sector is pivoting towards green steel production. Do you believe reducing carbon emissions is important for Canada, and even for Ukraine, to remain economically competitive in the 21st century?

Mr. George Soule: It's the trade advantage that we're able to deliver, again, by having some of the lowest-emitting steel, aluminum and cement in the world. It's something we are very proud of and that our members are very proud to produce. I think Canada should promote that more.

I think the greening of steel is something we have to be somewhat aware of and careful of sometimes. Some of those changes, particularly, for example, in Sault Ste. Marie, were maybe done a little bit quickly and without proper consultation with workers, and that is something we need to make sure we do when moving ahead with any of these changes.

Of course, we are supportive of the overall principle of sustainable jobs moving forward and ensuring that we can continue to lower our emissions, while supporting workers and creating jobs in this country. However, that work has to be done in consultation, and actually by ensuring that it's not just consultation but having workers at the table, in order to make sure those jobs are truly protected and created going forward, and they're not just talked about in these deals so that in the end we actually lose workers.

The Chair: Thank you very much.

We go on to Mr. Savard-Tremblay, please, for six minutes.

[*Translation*]

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

Mr. Soule, I want to make sure I understand your position: do you support the agreement?

Mr. George Soule: Yes, absolutely.

Mr. Simon-Pierre Savard-Tremblay: You pointed out the progress that has been made. Of course, we are no longer in the throes of rampant neo-liberalism. We now include chapters on the environment, workers' rights and other social considerations. That said, we are still a long way from truly binding provisions. There is a chapter on corporate responsibility, of which the government is very proud, but there do not seem to be any binding mechanisms, other than corporate responsibility.

What could we add to that?

Mr. George Soule: I am sorry, but I will answer in English, because this is a subject I do not speak about often in one of the two official languages.

[English]

I will say that, yes, I know there has been some movement and some talk around mandatory human rights and environment actions, and steelworkers support those as well. The Steelworkers Humanity Fund is part of the Canadian Network on Corporate Accountability and has done a lot of work on that front.

However, in that work in some of the legislation we've seen passed recently, as well as in this agreement, far too often the only accountability to the employer or any corporation is voluntary. As you said, there are no teeth whatsoever in these agreements and that means there is no accountability and it means that it probably won't actually be followed through upon, and that is a problem for us.

• (1135)

[Translation]

Mr. Simon-Pierre Savard-Tremblay: What more would you like to see to remedy the situation, to have something with more teeth?

[English]

Mr. George Soule: There are plenty of examples around the world of making human rights and due diligence mandatory. When you see things like “voluntary” within these situations, or you see simple reporting rather than actual accountability and a process for workers or those who are hurt in whatever way possible through some kind of legal process to actually hold the corporations to account, in the absence of that, unfortunately it's just words and there is no actual accountability.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Do you think that Canadian laws do enough in terms of due diligence?

[English]

Mr. George Soule: The current laws aren't enough. In fact, on the international level we think that in Canada, for instance, in the recent law that came out of the Senate and was passed through the House, it should have been stronger. Again, rather than simply asking for reporting, it should actually require action and some level of accountability.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: In the last federal budget, there was a line indicating that there would be legislation by the end of 2023 on forced labour in supply chains. We are still waiting

and there is only one month left in the year. Are you putting pressure on the government to meet its commitment by the end of the year?

Mr. George Soule: Absolutely.

[English]

In fact I sit on the steering committee as a representative for the Steelworkers Humanity Fund to talk about just that. Again, the law that came through the Senate is about reporting and it's voluntary. It does not include any of those penalties and that accountability that I was talking about, so it would be nice to see that.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Absolutely. An NDP bill, which I co-sponsor as a Bloc member, goes much further in terms of due diligence. It's not being given priority at this point. Would you like to see it debated in the House?

[English]

Mr. George Soule: That has been our call. We would love to see it get pushed and the government could pick up these bills and make them happen quickly. That would be great.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Let's talk about investor-state dispute settlements. You support the agreement. The Bloc's position is to vote in favour of the agreement. However, I intend to vote against the clause in the bill that deals with that aspect. Do you agree with this position?

[English]

Mr. George Soule: I'd like to see the ISDS removed from this agreement.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: What danger do you think this clause represents for workers you represent?

[English]

Mr. George Soule: As I said in my remarks, I think that all the power lies with the corporation, so the countries and the workers lose out and don't have the ability to bring their own complaints forward. That is actually a victory that the steelworkers won here in Canada, to join other countries around the world where workers can bring forward their own complaints. We were happy the government brought that forward, but then to not see that language in this agreement, and explicitly excluded because of the ISDS, that is something we need to change.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: It is quite surprising to see that, after removing this provision from the Canada—United States—Mexico Agreement, it is now back in. Do you think that makes any sense?

[English]

Mr. George Soule: Especially, as I said, seeing it being taken out of the USMCA as well as CETA, there are examples where we can remove that, so I think it should be removed from this agreement as well.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Obviously, there was an economic crisis as a result of COVID-19. There may have been a drop in trade, but I don't think it's because of the removal of these provisions or this clause. No-one can say that investors were afraid because they no longer had the right to sue states.

[English]

Mr. George Soule: I would absolutely agree. In fact, as I was saying again in my remarks earlier, there is no proof that ISDS improves the situation for workers or the economy. In fact, it usually does the opposite.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Looking beyond the impact on the economy, society, the environment or labour, are we not creating perilous conditions for democracy by putting states and companies on an equal footing? I'm talking about democracy and institutions that seek a mandate to legislate through the ballot box, as opposed to for-profit institutions that rely solely on the power of money.

[English]

Mr. George Soule: Absolutely. I mean, some people call these tribunals pseudo-democratic, but I would argue that they're more anti-democratic. They remove the power from the people, and frankly even the elected governments, and put it all in the hands of the corporations.

• (1140)

[Translation]

Mr. Simon-Pierre Savard-Tremblay: So, apart this agreement in particular, you no longer want to see such provisions in any future agreement.

Mr. George Soule: That's correct.

Mr. Simon-Pierre Savard-Tremblay: Duly noted. Thank you.

[English]

The Chair: We will suspend until the members come back from the voting process.

Thank you.

• (1140)

_____ (Pause) _____

• (1205)

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

All the members are here, so we'll go to Mr. Jeneroux for five minutes, please.

I'm sorry, Mr. Cannings. How could I ever skip over you? My apologies.

Mr. Cannings, you have six minutes, please.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you.

I'd like to start with Mr. Soule and pick up on some of the comments about ISDS.

You mentioned in your opening statement that this could hinder the reconstruction efforts in Ukraine after the war rather than help them. Could you expand on that? What would the possible risks and disadvantages for the Ukraine government and for Ukrainian industries be?

• (1210)

Mr. George Soule: Again, with ISDS, the ISDS allows for corporations to be able to overpower governments but gives governments no ability to do a counterclaim. For instance, if the government wants to invest in their own infrastructure or any of a number of other projects, with ISDS, there's the ability for corporations to go to a tribunal and go after claims that then can.... All too often, the corporations win those tribunal cases, and the penalties we've seen have been quite severe.

In a postwar situation, you could see Ukraine facing realistically millions or even billions of dollars in fines. That money obviously would not be available to help reconstruction.

Mr. Richard Cannings: Would the fact that we have a foreign investment protection agreement in place with Ukraine make things any better? If we took the ISDS part out of the investments chapter, I assume we'd have to somehow get rid of the FIPA, the old FIPA agreement, as well. Is that how it works?

Mr. George Soule: Again, I think you could look at how that has worked. You know, trade has existed under the current agreement. The current agreement is there, and we haven't seen huge investments either way.

It's not like we're undercutting the ability for trade. It's not like there hasn't been a ton there already, but I do think that the agreement overall encourages us to re-engage and have more trade with Ukraine, and there are lots of ways we can do that. We can certainly share expertise both ways and push trade. I'm interested in getting some more diversity in the cheeses that I might be able to order after today's hearings.

Absolutely, I think things exist, but ISDS isn't the answer to fix that.

Mr. Richard Cannings: There was a time five or 10 years ago, it seemed, that ISDS was in everything. Is there a trend away from that now in global trade agreements?

Mr. George Soule: We've seen the European Union and Europe in general clearly moving away from that. Canada has done it again. Even after signing the agreement, after signing CETA, Canada was able to remove it, and we've seen that in the CUSMA as well. Yes, I think the trend is going away from it, so why would we now in this new agreement be bringing it back in? I don't have a good answer to that.

Mr. Richard Cannings: You also brought up a lot of concerns around the labour chapter and what that might or might not mean to improving labour situations within Ukraine. These chapters in free trade agreements are meant to basically uplift all parties to equal levels, whether it's under environment, labour or investments. Could you just give a little more detail into why this agreement falls short in that regard?

Mr. George Soule: There are certainly some inclusions around labour that provide some teeth for workers, but again, with very few firm requirements and without the ability for workers themselves to bring forward their concerns, it lacks the strength that it could otherwise have.

As we were talking about with ISDS, corporations are able to bring forward their own complaints, but under this agreement, workers can bring forward complaints but only through the support of the state, so they have to have an agreement from the Ukrainian government that there is a problem rather than being allowed—the workers, organized labour—to bring those things forward themselves. In the current context in Ukraine, where workers in firms of less than 250 employees have lost their right to organize, that problem is made even worse.

• (1215)

Mr. Richard Cannings: I have one minute, and I think I'll turn to Mr. Roy and the Pork Council.

You talked about this agreement as being one more little thing that could help the pork exporters in Canada, but you're up against Ukraine, which produces pork, and the EU, which is right next door and produces pork. We're also up against, as you say, non-tariff barriers.

Can you maybe expand on those non-tariff barriers very quickly and what we can do to eliminate them, or at least make sure we don't have so many in the future? What can we do?

Mr. René Roy: I will relay this question to Mr. Heckbert.

Mr. Stephen Heckbert (Executive Director, Canadian Pork Council): Thank you for the question.

The real challenge for us is that if the terms in this agreement were the same terms we had proposed in the U.K. bilateral agreement, we could live with them. That's largely because we're talking about free and fair trade that will allow agricultural products to go into Ukraine and will allow us to sell our products in Ukraine. The U.K. bilateral, at the moment, is not going to increase access for Canadian pork. At the same time, the U.K. is asking for increased access for cheese coming to Canada.

This agreement, frankly, would be a model that we'd love to see going into the future. From our perspective, it's vital that we have access to these kinds of markets in a free and fair trade model. We think that we'll be competitive in Ukraine, and we think there's an opportunity for us to do more trade with Ukraine. We know that food security is a crucial issue for Ukraine at this exact moment.

From our perspective, if this committee were studying a U.K. trade agreement at this moment and it had the same provisions for agriculture based on science, we wouldn't have opposition to a U.K. trade deal with the same kinds of provisions. We know that Canada

is capable of negotiating trade provisions that will allow free and fair trade between our countries, and we'd love to see that kind of model be extended to other bilateral trade agreements.

That's why we're in support of this agreement. We think a science-based model that will allow free and fair trade will help importers and exporters. Obviously, from the Pork Council's perspective, we're focused on exports. We understand that Britain would love to export cheese into Canada. However, until they're going to be willing to accept agricultural products in return, I'm not sure why we'd be motivated to allow the U.K. to impose those kinds of non-science based terms on our trade agreements. That's why we're supportive—

The Chair: Thank you very much. I'm sorry to interrupt, but we have to keep on going.

Mr. Jeneroux, please, you have five minutes.

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

Thank you to all of the witnesses for joining us online or in the room today.

I'll start with the Pork Council first, if that's okay. I'm hoping I can still get over to Mr. Dal Ferro with some questions as well.

To either Mr. Heckbert or Mr. Roy, have you heard of Bill C-234?

Mr. René Roy: Stephen, you can start with this.

Mr. Stephen Heckbert: We have heard of Bill C-234. We are in support of the original bill. We think it's going to be vital for farmers to help control their costs. Frankly, if we can control costs on the farm, it will also help grocery costs in Canada. It actually has an impact all the way through the value chain.

Yes, we're supportive, and yes, we've heard of it.

Mr. Matt Jeneroux: You guys belong to the Agriculture Carbon Alliance, so I'm glad you've heard about it.

Trade is supposed to be about trade. I think I heard that said by all three witnesses here. I'll give this back to the Pork Council.

With the context of Bill C-234, which is currently being delayed in the Senate and which removes the carbon price on farmers, would you not agree that the carbon tax has a negative impact on food prices and supply chains in Canada?

Mr. René Roy: Yes, we do agree that it has had a negative impact. On top of that, we also have to face a challenge in our trade when we are competing with other countries that do not have these kinds of taxes.

• (1220)

Mr. Matt Jeneroux: Now when we look at this particular agreement, which does have the carbon pricing as part of it, do you not agree that it could be damaging to Ukraine's rebuilding efforts by having similar carbon pricing measures?

Mr. René Roy: It will have an impact on inflation for sure. We know it will also have an impact on their consumers. It is certainly a challenge for all consumers when we have additional taxes or fees on the production side.

Mr. Matt Jeneroux: You said “impact”, but just to be clear you mean a negative impact. Is that correct?

Mr. René Roy: Yes, it's a negative impact.

Mr. Matt Jeneroux: Perfect.

Mr. Dal Ferro, you spoke here today earlier about what could happen to the cheese market here in Canada. I believe the latest numbers—someone correct me if I'm wrong—show that about 1.4 million Ukrainian Canadians are at risk of not being able to have cheese from their country in the lead-up to Christmas and into the new year. You mentioned there might have to be some difficult decisions made in the next six weeks.

Can you lay out for us what the worst-case scenario of that could possibly be?

Mr. Joe Dal Ferro: The difficult decisions we are facing at the moment are the uncertainties of the allocation models of the TRQs. The most imminent concern we have is the status of the U.K.

As I mentioned earlier, the cheese letters expire on December 31, 2023. Either we get an extension of the cheese letters effective January 1, or we revert to the WTO non-EU quota, which is the most highly utilized of all of the quotas. We now have the United States, Switzerland and Norway in that group, which are already highly developed exporters to Canada.

That is a concern, sir.

Mr. Matt Jeneroux: You mentioned that there would have to be some difficult decisions if we do revert. What would those decisions be? For context, what would be that worst-case scenario?

Mr. Joe Dal Ferro: You had mentioned Ukraine earlier. I had to forgo the opportunity because of the uncertainty of the U.K. situation. If by chance we do not get an extension of the cheese letters effective January 1, I will have to make some—I'm divulging some personal strategic initiatives here—decisions on my British cheese portfolio coming to Canada.

That may also unfortunately result in lost jobs in my organization.

Mr. Matt Jeneroux: Loss of jobs would be the worst-case scenario.

Thank you, Madam Chair.

The Chair: Thank you very much.

Ms. Fortier, you have five minutes please.

Hon. Mona Fortier (Ottawa—Vanier, Lib.): Thank you, Madam Chair.

Interestingly, we're talking about a carbon tax but I just want maybe to remind everyone that we also know that it has been part of the agreement since 2011, carbon pricing or a price on pollution has been part of this agreement since 2011. I also understand that, in November 2018, the parliament in Ukraine decided to steadily increase the carbon tax rate from January 2019 onward. It's already been part of this initiative.

I also wanted to add that unfortunately yesterday we witnessed the Conservatives voting against the free trade agreement between Canada and Ukraine. I heard the head of the Canada-Ukraine Chamber of Commerce stating yesterday how disappointed he was to see Conservatives vote against free trade and the agreement with Ukraine. He asked, “Why would you block [the free trade agreement] when you know your Canadian companies also will get more contracts, more jobs, more involvement in Ukraine?”

Therefore, it's important that we continue to focus this study to make sure this agreement goes forward and gives economic opportunities to businesses and workers. I reiterate that we stand with Ukraine—Canadian workers, our businesses—by what we say, by what we do and by how we vote in the House of Commons and even here in committee.

My question goes to all of the witnesses here today. I would like to know if you would agree with the head of the Canada-Ukraine Chamber of Commerce.

Mr. Dal Ferro, would you like to start?

• (1225)

Mr. Joe Dal Ferro: We support the Canada-Ukraine Free Trade Agreement and I think, from the cheese-importing perspective, the quickest way for us to find immediate solutions is to reinstate the supply-managed sector into the goods remission order. That would help accelerate our opportunity to bring fine Ukrainian cheese to Canada.

Hon. Mona Fortier: Thank you, Mr. Dal Ferro.

Mr. Soule, go ahead.

Mr. George Soule: As I stated during my opening remarks, we would like to see the ISDS section removed, but with that change, we do support the agreement.

Hon. Mona Fortier: Thank you.

For those online, I don't know which one of you or maybe both of you want to answer. I'll let you decide.

Mr. René Roy: We do support the Ukrainian trade agreement, of course making sure that non-tariff trade barriers continue to be removed or are outside of this agreement.

Hon. Mona Fortier: Thank you.

My next question is trying to look at this timeline. If we move forward now with this trade deal, would this help in any way to increase exports or, for Mr. Dal Ferro, to boost imports?

I'll start with Mr. Soule, then Mr. Dal Ferro and then those online.

Mr. George Soule: Certainly right now there are some challenges with the trade. We have some concerns with some dumping of steel coming out of Ukraine right now, so anything that formalizes those agreements could certainly be helpful.

Hon. Mona Fortier: Mr. Dal Ferro, go ahead.

Mr. Joe Dal Ferro: Thank you for your question.

With respect to dairy, unless we activate an agreement to have a tariff for Ukrainian cheese, or unless we reinstate supply-managed goods into the goods remission order, we will have to rely on WTO non-EU, which is already the most utilized of all the quotas, making it very difficult to import cheese from Ukraine.

Hon. Mona Fortier: Thank you very much.

Do our witnesses online have anything to add?

Mr. Stephen Heckbert: We think we're cost-competitive. We support free trade agreements that will give us access to markets and give us the opportunity to be competitive and especially in this case. We know that Ukraine is facing some food security challenges, and we think delicious Canadian bacon is something they will be pleased to receive during these times, which are challenging for them.

Hon. Mona Fortier: I really agree with you on the bacon part, for sure. Thank you for that.

I don't have much time left, so I'll ask if the Pork Council has anything else it wants to add on this. How do we really continue to work with the Ukrainian government and businesses to increase the prosperity of both our countries?

Mr. René Roy: There are opportunities. Yes, it is a country that has a lot of agricultural products, but as with the United States, there is a lot of trade between our two countries, even if there is a lot of agriculture between us. We see this opportunity as a trade opportunity whereby we can share, because pork is made up of several cuts that suit different tastes. Some people prefer some pieces to others, so we could trade among ourselves to find what benefits our industries.

The Chair: Thank you very much.

We go now to Mr. Savard-Tremblay for two and a half minutes.

Go ahead, please.

[Translation]

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

For the representatives of the Canadian Pork Council, please correct me if I have not understood correctly. To summarize your comments, what is in the agreement with Ukraine is much better for you than what is in the agreement with the European Union. Is that correct, yes or no?

Mr. René Roy: Yes.

Mr. Simon-Pierre Savard-Tremblay: That's fine, thank you.

Can you explain to us how the agreement with Ukraine is better than the one with the European Union? What recommendation

would you make to ensure that Canadian pork keeps its foothold in the Ukrainian or European market?

Mr. René Roy: The major challenge with the agreement with the European Union is the existence of non-tariff technical barriers that prevent our products from reaching the European market.

What are those barriers? For example, the European Union requires that carcasses be washed with specific products, so the cost goes up. Other products work very well, such as lemon juice or an equivalent, but we are required to use a very specific product, which comes from the European Union.

Great Britain, on the other hand, is asking us to conduct tests for specific diseases that are not found in Canada. Britain is asking that these tests be done on all carcasses, which increases costs and means that we will not have access to their market.

• (1230)

Mr. Simon-Pierre Savard-Tremblay: As you know, there is talk of Ukraine joining the European Union. I imagine that this situation raises additional concerns for you.

Mr. René Roy: That is indeed the case. Whether it's the U.K. joining the Trans-Pacific Free Trade Partnership or Ukraine becoming a member of the European Union, there are problems in both cases when non-tariff barriers are added.

Mr. Simon-Pierre Savard-Tremblay: In other words, all these barriers would be compounded. There are two major agreements that have significant non-tariff barriers. At the moment, Ukraine is offering you fairly favourable terms, but if it enters into these two major agreements, the benefits associated with the current agreement will be cancelled. Is that correct?

Mr. René Roy: Yes, it is.

Regarding zoning agreements for disease cases, I would add that we have agreements with certain countries. We hope to conclude one with Japan very soon. We have one with the European Union. However, we have to hope that it will be implemented.

[English]

The Chair: Thank you very much.

Mr. Cannings, go ahead for two and a half minutes, please.

Mr. Richard Cannings: Thank you.

I'll go back to Mr. Soule.

The steelworkers represent, as you say, a large number of workers in a wide variety of sectors. You mentioned a bit about, perhaps, the effects on workers in steel manufacturing. In my riding, we have a lot of steelworkers in the Trail smelter. We have steelworkers in sawmills. I'm wondering whether you could comment, perhaps, on which steel sectors in Canada would benefit from this agreement, in terms of investing in Ukraine, exporting materials to Ukraine or helping Ukraine rebuild.

I'm wondering whether you could expand on that a bit.

Mr. George Soule: Sure.

Steelworkers are in all kinds of industries, from your cup of coffee at Starbucks to the steel in your car. We represent members in all kinds of industries.

As I said at the beginning, with this trade, but certainly not exclusively, steel, potash and our workers in the energy sector would be particularly impacted. Again, trade back and forth with steel production in Ukraine is important. We've had some cases recently of, and concerns about—as I said earlier—dumping of steel from Ukraine here in Canada. We are trying to make sure we can get that slowed down.

As I said, with steel in particular... We're very proud to have some of the lowest carbon-emitting steel in the world. That is something for which, I think, Canada has a value-add that we can share in order to export our steel more and continue to support that industry here in Canada. That would include exports to Ukraine but also, absolutely, particularly with a country such as Ukraine, in what we hope is soon to be a postwar era, it's supporting their domestic attempts to decarbonize. I was speaking to some of the other members of the committee about that earlier today. That is something we could certainly help with, but we also want to make sure that, through this, we're not facilitating any further dumping.

Again, these agreements allow us to support our own industries and share our expertise globally.

Mr. Richard Cannings: Could you expand on the green steel issue and how Canada is, perhaps, leading the world in some ways? How could this help Ukraine, and how would that benefit Canada? These could be, I assume, Canadian companies going into Ukraine and helping them with that process.

Is that what you envision?

Mr. George Soule: Hopefully. We're seeing more and more Canadian companies becoming less and less Canadian. Certainly, the expertise developed here in Canada—the fact that we have this expertise—is something we could gain some credit with on the world stage.

Quickly, I have a note on potash as well.

If you were to remove Ukraine's dependence on potash coming out of Russia... Obviously, it is important during this time, but also in the postwar period. With Canada being the largest producer and our members being the ones mining that potash, it's obviously something we are encouraged by. I think this agreement would help with that as well.

• (1235)

The Chair: Thank you very much.

It's on to Mr. Martel for five minutes.

Mr. Richard Martel (Chicoutimi—Le Fjord, CPC): Thank you, Madam Chair.

[Translation]

I would like to thank the witnesses for being here today.

Mr. Roy, what is the impact of the carbon tax on Ukrainian producers? As we know, they are already in a conflict situation.

Mr. René Roy: Since it is difficult for me to speak for Ukrainian producers, I will talk to you about Canadian producers. What we are experiencing as Canadian producers is that our production costs are increasing, which is reducing our ability to offer affordable products to consumers, who are currently facing challenges because of inflation.

Mr. Richard Martel: Thank you, Mr. Roy.

Mr. Soule, based on my understanding of your comments, this agreement fails to protect Ukrainian workers.

Mr. George Soule: There is no doubt that we could do better to protect Ukrainian workers.

Mr. Richard Martel: I would like to move on to another topic.

You say that you have the greenest steel and that you are green. It's a bit like saying that we have the greenest aluminum in the world. What added value does being greener bring? Does it attract people who want your steel? Does that increase your market share? If not, is it the fact that you simply have the greenest steel, but that there are no other advantages to that?

Mr. George Soule: Our steel and aluminum are the greenest. When I say “our”, I mean Canada; I'm not just talking about steelworkers.

[English]

What do I think that does for us? I think it helps us secure a future for our industry globally, but I think we can do more to promote it. I don't think there has been enough to promote it. Has it done enough yet? I don't think so, but can it? Yes.

[Translation]

Mr. Richard Martel: Madam Chair, I forgot to tell you that I will be sharing my time with Mr. Seeback.

Mr. Soule, since 2014, foreign steel's market share in Canada has increased from 19% to 39%. What can you tell us about that?

[English]

Mr. George Soule: I can definitely say that's a problem. Some of that comes through dumping—the illegal dumping from China. As I said, some of that is even coming from Ukraine. China is obviously the biggest problem we have.

More support domestically for our steel industry is crucial, and that comes from both greening it but also from ensuring.... I think there are lots of things we can do through procurement. We've often stood for ensuring that government procurement requires not only Canadian workers but also Canadian materials to be used, whether that's building bridges, buildings or whatever. It's all well and good to have Canadian workers—and obviously we support that—but those materials being Canadian as well would be a big start.

As well, it's doing what we can to shut down that illegal dumping of the dirty steel and aluminum and cement that we see coming from other countries.

[Translation]

Mr. Richard Martel: Thank you very much.

[English]

The Chair: You have one minute and 30 seconds, Mr. Seeback.

Mr. Kyle Seeback (Dufferin—Caledon, CPC): Thank you, Madam Chair.

I have a motion that I would like to move.

Madam Clerk, would you please distribute that motion to the committee?

I move:

That the committee recommend to the House that it be granted the power during its consideration of Bill C-57, An Act to implement the 2023 Free Trade Agreement between Canada and Ukraine; in light of the fact that the Liberal Government granted a waiver exemption to allow for the export of a turbine from Canada that was then used to export Russian gas; to expand the scope of the study of the Bill in order to facilitate Canadian LNG and other energy expertise to further assist Ukraine; and to support expanded munitions production in Canada; and increasing munition and weapons exports to Ukraine and support the development of weapons and munitions manufacturing capabilities in Ukraine by Canadian industry.

I'd now like to speak to that motion, Madam Chair.

We are in a situation where certain members of the government are suggesting that Conservative members do not support Ukraine because we have a principled objection to certain things that are contained within the free trade agreement, one of which is a price on carbon, which is not in any of our other existing free trade agreements, and is, in fact, not in any free trade agreement Ukraine has ever signed. It's the first time it's ever been in that.

We think that there are many ways that this trade agreement could be enhanced to help Ukraine in the middle of the war, so I'm going to start with this first of all.

We are being told that we are hurting Ukraine by voting against a bad trade deal. What, in fact, has happened is that this Liberal government granted a waiver exemption to allow for the export of a gas turbine that was used to transport Russian gas. Think about that for a second. What funds Putin's war machine? What helps fund his

war, his illegal, outrageous and barbaric war in Ukraine? It's gas, the revenues Russia gets from the sale of gas.

The Liberal government granted a waiver to export a turbine to help them do it. Then they have the audacity to say that we are hurting Ukraine on a vote that was inconsequential, because this bill has been referred to the committee. It's here. I don't know if Liberal members know that, but the free trade agreement is here at committee. The vote didn't hurt anything.

We are His Majesty's loyal opposition. We get to oppose bad pieces of legislation or bad trade agreements. When you insert a carbon tax, carbon price or carbon leakage into a trade agreement for the first time, we get to object, which is what we've done. It doesn't hurt Ukraine. The deal came to committee. The deal's most likely going to pass the House—the other parties are supporting it—because they all also have a carbon price—carbon tax—obsession. All the parties in the House of Commons are obsessed with taxing Canadians through carbon into poverty.

I agree that trade deals are about exports. Let's import and let's export, but you know what we shouldn't export? The misery of the carbon tax, the misery of the carbon tax that has two million Canadians going to a food bank in one month alone. Never in the history of Canada has this happened. Seven million Canadians are now cutting back on food because they can't afford to eat. We just heard from the pork producers, and the carbon tax is making pork more expensive. Why? They have to heat their barns. This can cost tens of thousands of dollars in carbon tax every single month. We should not be exporting that.

What's amazing is that the foreign affairs committee did a report in February 2023 wherein they recommended that there not be a waiver granted to Siemens to export that turbine. Guess what. The government did it anyway. When you look at what's hurt Ukraine, what's hurt Ukraine was exporting that turbine to give some more blood money to Vladimir Putin in his war.

There's a real opportunity here, Madam Chair. One of the things that Ukraine desperately needs is energy security in this war, and there's an article here, a very well-researched article on the issue, and one of the things it says right in the article is:

As Ukraine rebuilds and adapts to a new geopolitical reality, achieving energy security will be instrumental to put the country back on its feet—

• (1240)

What is not included in this free trade agreement is anything on LNG co-operation or energy security co-operation. This motion is going to allow us to expand the scope of the review of this to include these things. If Liberals actually want to make up for the fact that they exported a turbine that helped Vladimir Putin, they can now vote to expand the scope of this bill to allow for there to be chapters on energy security and LNG co-operation, which will actually help Ukraine.

The second part of this motion is with respect to munitions and weapons. Let me tell you this. Canada has not increased its exports of munitions to Ukraine from day one. Three thousand shells a month is where they started, and 3,000 is where we are today. There has been no increase whatsoever. Ukraine goes through 6,000 shells a day, every day. We are not increasing our exports of these. That should be something in this agreement.

How do we co-operate to increase the number of shells available to Ukraine? There's actually a formula in war. The number of artillery shells you can use reduces the number of lives you lose on the battlefield. By voting for this we are going to find a way to increase Canadian exports of munitions, which will directly benefit the Ukrainian armed forces and save Ukrainian lives, as opposed to exporting a turbine, which helped Vladimir Putin.

We could also absolutely be helping with weapons. In fact, in March of 2022 there was a Conservative proposal that we would send decommissioned LAVs to Ukraine to help in the war. Guess where they ended up. It was on the scrap heap. The Conservatives recommended exporting three hundred fighting vehicles to Ukraine to help them in the war. The Liberal government did not do that.

Madam Chair, the Liberals have a chance to redeem themselves. A similar motion came to this committee, and all Liberals voted against it. I was prepared to move a motion like this on the floor of the House of Commons today, but—guess what—you had to put it on notice. They played a little procedural game so the motion wouldn't be able to be debated today. The rubber hits the road today, Madam Chair.

Will these Liberals actually do something to help Ukraine or will they vote this down again?

I expect that's what they will do, because they're all talk and no action.

• (1245)

The Chair: Mr. Sidhu, please go ahead on the motion at the moment.

Mr. Maninder Sidhu: Thank you, Madam Chair. I want to put this on the record. This is another veiled delay tactic designed to save face after the Conservatives voted against the trade agreement yesterday.

This is simply ridiculous. They continue to be called out by the business community, the trade community, industry groups, media, the UCC, Ukrainians and many other stakeholders across the board. This is something that we've heard from witnesses, who all spoke in favour of this. They said they were in support of this trade agreement being ratified as soon as possible. There are many benefits to

be seen by industry groups across the board. It's not only going to help Canadian businesses. It's going to help Ukraine rebuild.

Minister Ng was at the Rebuild Ukraine Business Conference on Monday and Tuesday, and she also heard directly from stakeholders who came up to her and thanked Canada for the support because, frankly, this is what Ukraine has asked for. This is what the business community in Canada has been in favour of, and we are going to continue to push forward with this.

I don't know what the Conservatives' obsession with carbon pricing is when these are the same folks who had this in their campaign promises in the 2021 election. Many of their members were talking very proudly about carbon pricing and the impacts it can have: to save our environment, to keep future generations safe, to provide clean drinking water and to make sure we are able to fight pollution. Here you have the Conservatives frankly obsessed with something that's not even factual. They're making things up on the fly as they go along.

It is important for those who are listening and those who are here today to see this. It's just a veiled tactic designed to save face and waste time.

Ukrainians are asking for us to be there. We'll continue to be there. Canada's FTA with Ukraine has very little to do with the adoption and development of a carbon tax with Ukraine. In fact, Ukraine has been using carbon pricing for many years and now with alignments with the EU emissions trading system. Since 2011 Ukraine put forward a carbon tax that applies to CO₂ emissions from stationary sources in the industry, power and building sectors, so this is nothing new. In November 2018, as we heard, their parliament decided to steadily increase the carbon tax rate.

It is important that we put on record that it's nothing new to Ukrainians. I'm not sure where this fake outrage is coming from.

We spoke about defence assistance to Ukraine. Canada has provided billions of dollars in defence assistance, from Leopard tanks to armoured vehicles, missile defence systems and training for officers. In fact, we'll continue to be there, as the Prime Minister said, as our government has said, but it's the Conservatives who are delaying support to Ukraine. It is important for the public to see this. I don't know how Conservative members with the Ukrainian diaspora can go out and speak to the Ukrainian community after this, after they are blocking support for Ukraine.

We see it. Industry groups see it. Business groups see it, and I think it is important for those who are watching today to see this fake outrage. I don't know where it's coming from. It seems similar to what's happening in the U.S. with the far right, but they need to actually put their thoughts on the stage because carbon pricing, hiding behind carbon pricing or a carbon tax, is not the way to go, because we all know that Ukraine knows about carbon pricing. They have been using carbon pricing for many years.

● (1250)

The Chair: I have Mr. Miao and Mr. El-Khoury.

Mr. Wilson Miao (Richmond Centre, Lib.): Thank you, Madam Chair.

I guess it's no surprise that Conservatives are going to bring this motion back again. For us to redeem ourselves... It shows from the vote how supportive they are of this modernized CUFTA agreement. Let's remind members that this modernized CUFTA agreement was discussed prior to the war outbreak. I don't think any of us would agree that we support this ongoing war conflict that's happening between Russia and Ukraine. We want them to end this as soon as possible. The focus is on looking at the long term and seeing how we can help Ukraine rebuild.

I'm not supporting this motion, definitely. For us to redeem ourselves, we should continue to move forward with this legislation and make sure that this passes through the House as soon as possible so that we can help with the rebuilding efforts of Ukraine. Hearing from my community, the UCC and the Ukrainian community in Richmond Centre, everyone understands how important this free trade agreement is. We are looking forward to speeding up this process to make sure that it's in place so that more relations between our countries can be established and help with the rebuilding effort.

I want to put this on the record as well: The deputy minister of economy and trade negotiator of Ukraine spoke highly of this agreement and how this agreement will rebuild Ukrainian confidence. Also, in Toronto specifically, this agreement gives more opportunity for SMEs in Canada and Ukraine. This is exactly why Canada and Ukraine are interested in moving this modernized CUFTA agreement forward.

On how we can grow our small and mid-sized businesses into international businesses, I feel this is very important for not just our local or national economy but the global economy as well.

I'm going to end it on that note. I really hope that the Conservatives are not playing games. Let's move forward with this new modernized CUFTA agreement. Thank you.

The Chair: Mr. El-Khoury, I know we have you on the list, but I'm watching the clock quite carefully.

Do you mind if...

Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.): You're the chair.

The Chair: I think it's important that we deal with the issue, and I cannot stay beyond one o'clock.

Mr. Seeback has introduced a motion.

Is there any further debate on the motion?

Not seeing any debate, we'll read out the motion again:

That the committee recommend to the House that it be granted the power during its consideration of Bill C-57, An Act to implement the 2023 Free Trade Agreement between Canada and Ukraine; in light of the fact that the Liberal Government granted a waiver exemption to allow for the export of a turbine from Canada that was then used to export Russian gas; to expand the scope of the study of the Bill in order to facilitate Canadian LNG and other energy expertise to further assist Ukraine; and to support expanded munitions production in Canada; and increasing munition and weapons exports to Ukraine and support the development of weapons and munitions manufacturing capabilities in Ukraine by Canadian industry.

We will have a vote.

● (1255)

Mr. Kyle Seeback: I'd like to request a recorded division.

(Motion negated: nays 7; yeas 4)

The Chair: Thank you very much.

To our witnesses, thank you for your valuable information and your patience today. It was very much appreciated.

I move adjournment.

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>