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Chair

Mr. Lee Richardson

Standing Committee on International Trade

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• (1540)

[English]

The Chair (Mr. Lee Richardson (Calgary Centre, CPC)): Ladies and gentlemen, we are about to begin our 30th meeting this session of the Standing Committee on International Trade.

Today we're going to pursue our order of reference with regard to Bill C-8, an act to implement the free trade agreement between Canada and the Hashemite Kingdom of Jordan, the agreement on the environment between Canada and the Hashemite Kingdom of Jordan, and the agreement on labour cooperation between Canada and the Hashemite Kingdom of Jordan.

We are welcoming witnesses from around the world today. We have with us in the committee room, from the Grain Growers of Canada, Richard Phillips, the executive director, and Gary Stanford, a farmer director of the Grain Growers of Canada. They are here from Alberta to provide witness today.

We also have witnesses via video conference, and I am looking at the screen. I hope you can hear me. When I mention your name, perhaps you could acknowledge such.

First of all, from the American Federation of Labor and Congress of Industrial Organizations, the AFL-CIO, we have Jeff Vogt, the deputy director for international development.

Mr. Vogt, are you there?

Mr. Jeff Vogt (Deputy Director, International Department, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)): Yes, I am. Thank you.

The Chair: Thank you. Coming in loud and clear. Can you hear us fine from where you are, Mr. Vogt?

Mr. Jeff Vogt: Yes, no problem at all, thank you.

The Chair: Great. Thank you.

In Munich, Germany, from Human Rights Watch, we have Christoph Wilcke, who is a senior researcher for the Middle East and North Africa division.

Mr. Wilcke, welcome.

Mr. Christoph Wilcke (Senior Researcher, Middle East and North Africa Division, Human Rights Watch): Good evening. Thank you.

The Chair: I guess it is evening over there. It's just after 3:30 here in Ottawa.

We'll begin with opening statements. I'm going to ask Mr. Stanford from the Grain Growers of Canada to begin. If we can keep the statements brief, we'll hear statements from each of you, and then we'll carry on with questions from the committee.

If you'd like to begin, Mr. Stanford, you have ten minutes or less.

Mr. Gary Stanford (Farmer Director, Grain Growers of Canada): Thank you, Mr. Chair, and members of the committee.

My name is Gary Stanford. I'm a farmer from southern Alberta. With me today is Richard Phillips, also with the Grain Growers of Canada.

The Grain Growers of Canada represent 80,000 successful farmers from across Canada. We grow a wide assortment of wheat, barley, oats, canola, rye, triticale, peas, lentils, and beans. Canada is a world leader in agricultural trade. We are the fourth largest agrifood exporter in the world, exporting half of our beef, cattle, and wheat, 60% of our hogs' pork, and 70% of our canola.

Across Canada, just over 90% of farms are directly dependent on export markets. They either export their products or sell them domestically, at internationally set marketplace prices. This represents over 200,000 farms and includes a majority of farms in every province in Canada. More open and fair trading systems are essential for the future growth and prosperity of Canada's agrifood sector and the Canadian economy as a whole.

Our preference is for a successful conclusion to the Doha round of world trade talks, but until these talks resume in a meaningful way, bilaterals can achieve major gains for us or at least keep us competitive with other exporters. However, bilaterals do not get at the issues of domestic subsidies, domestic supports, and export subsidies. Many of these hurt not only Canadian farmers but farmers in the developing world as well. It is important that you as politicians of all parties encourage the government to actively push other countries to get back to the table at the WTO.

Now I'd like to turn the time over to Richard and why Jordan is strategically important for the agricultural issues.

Mr. Richard Phillips (Executive Director, Grain Growers of Canada): Thank you, Gary.

Thank you to this committee for the invitation to be here today.

On the import side, we do import a small amount of vegetables from Jordan. In recent years, agricultural imports were between \$1 million and \$1.5 million, mainly cucumbers and gherkins.

Exports are of more interest to us as Canadian farmers. In 2008, agricultural exports to Jordan were over \$12 million, mostly chickpeas and lentils. It is a growing market for us. In 2007 alone, Jordan was Canada's largest chickpea market, importing over 10,000 tonnes. In terms of crops, we also export canary seed, dry beans, and sunflower seed. Jordan is also a small market for our wheat exports. Other key agricultural exports include frozen french fries, animal feed, and prepared foods.

Currently Canadian agricultural exports face tariffs as high as 30% into Jordan. This agreement will do two things. First, it will eliminate tariffs on the vast majority of Canadian exports to Jordan, directly benefiting Canadian exporters and farmers. Secondly, it will give us preferential access over competitors. No major competitors, such as Australia, have this deal. The U.S. is not a major exporter to Jordan at this time.

While the immediate trade gains don't appear as large as they are with other countries, we feel there are three strategic points in our favour.

First off, Jordan acts as a trading and distribution hub into the Middle East, with easy access to a number of other countries. Jordan has a relatively moderate leader and a stable government. Outside of the United States, we will be one of the few agricultural exporters with a free trade agreement.

Secondly, Jordan has challenges being self-sufficient in agriculture due to a lack of water. A trade deal, therefore, makes good sense. When we export our agricultural goods, we are not displacing local produce or affecting local farmers.

Lastly, Jordan with its population of six million people is a foothold into a larger trading body. The Gulf Cooperation Council consists of the nations of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. This group has a population of 40 million people, and this agreement gives us a foot in the door for a future deal.

In summary, there are several positives for Canadians: new market opportunities, new partnerships, new customers, and enhanced visibility for Canadian companies. Therefore, on behalf of the 80,000 successful farmers we represent, we strongly encourage you to support this trade agreement.

Thank you for the opportunity to be here today. We look forward to your questions.

• (1545)

The Chair: Thank you very much.

Thank you to the Grain Growers for being so brief.

I think we'll go now to Washington, to the American Federation of Labor and Congress of Industrial Organizations, where Jeff Vogt is deputy director for the international department.

Mr. Vogt, can you please lead off with a brief opening statement?

Mr. Jeff Vogt: Sure, I'd be happy to. Thank you.

Good afternoon.

I thank this committee for the invitation to testify before the Standing Committee on International Trade of the House of

Commons on the subject of the proposed Canada-Jordan free trade agreement.

While there are many aspects of this agreement that deserve careful consideration, I will focus my remarks today on whether the Kingdom of Jordan currently complies with the commitments it has undertaken under the bilateral agreement on labour cooperation. The simple answer to this question is no.

Article 1 of the Canada-Jordan Agreement on Labour Cooperation provides that each party shall ensure that its labour law and practices embody and provide protection for eight categories of principles and rights, the first four being the ILO core labour rights, as set forth in the ILO Declaration on Fundamental Principles and Rights at Work, as well as four additional categories, including acceptable minimum employment standards, such as minimum wages and overtime, the prevention of occupational illnesses and injuries, and non-discrimination in respect of working conditions for migrant workers.

While the Kingdom of Jordan has recently instituted by cabinet decree important reforms, the labour code still falls short of the requirements of article 1. For example, importantly, the labour code provides that non-Jordanians cannot apply for membership in a trade union. This is a blatant violation of one of the core principles of freedom of association embedded in an ILO convention, number 87, namely that:

Workers...without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.

This exclusion leaves the multitude of migrant workers in Jordan, roughly 300,000, unable to bargain over the terms and conditions of their employment.

The labour code also requires a minimum of 50 workers to form a trade union. According to the ILO Committee on Freedom of Association, this minimum threshold is too high and it is suggested that a more appropriate minimum threshold could be somewhere around 20.

The labour code authorizes substantial intervention by the government in the operation of trade unions, particularly at the confederation level, but also with regard to certain federations.

The labour code also authorizes the government to define those industries in which workers may form trade unions and prohibits workers from forming more than one union in each of them, which makes it very difficult for independent trade unions to form where federations currently exist. This shows, obviously, a violation of convention 87 and the principles of freedom of association.

The labour code also requires workers to provide their employers with 14 days' notice of a strike, and can impose mandatory mediation and conciliation during which strikes are prohibited.

The ILO has also noted that a system of compulsory mediation and arbitration that prevents a calling of strikes infringes on the rights of freedom of association.

Those are by no means all, but those are some key inconsistencies between what the obligations are in the Canada-Jordan Agreement on Labour Cooperation and their current labour code.

Under article 3 of the agreement on labour cooperation, the Kingdom of Jordan also has an obligation to effectively enforce its labour laws, including those laws it enacts, to be consistent with article 1 of agreement on labour cooperation.

In the garment sector, we have seen conditions improve somewhat since the 2006 exposé by the national labour committee and an FTA complaint filed by the AFL-CIO brought attention to the truly horrendous working conditions in the factories, the qualified industrial zones that produce and export garments to the United States as well as other markets. Since that time, the ILO has established a better work program that will soon, by government decree, cover the entire garment industry; however, the ILO's first synthesis report for Jordan reveals several serious problems.

With regard to forced labour, the report notes that in two-thirds of the assessed factories the employers put a curfew of 8 p.m., meaning that workers cannot leave the factories and were confined to their dormitories. In 65% of the cases, they discovered non-compliance with occupational safety and health, largely having to do with poor living conditions in their dormitories.

The ILO also noted that the Jordanian labour law does not impose any general limit on the amount of total overtime hours or a maximum number of total hours per week, and therefore tolerates very excessive overtime hours. The ILO noted this as a particularly serious problem.

• (1550)

Again, with regard to freedom of association, the vast majority of workers in the garment industry are migrant workers, who, again, by law, are excluded from the ability to exercise their rights of freedom of association and collective bargaining. This obviously has an impact not only on those workers but also on Jordanian workers, both in the garment industry and outside.

Problems, of course, are not limited to the garment sector. In fact, outside the garment sector, where there isn't actually the presence of the ILO and this monitoring, we expect that the conditions would be worse. The 2010 U.S. Department of State human rights report on Jordan reported a number of violations of worker rights over the last year, from the use of excessive force by the police to break a peaceful sit-in by port workers to the continued forced labour of migrant workers employed as domestic servants—even though recent regulations are attempting to address this problem—and excessive overtime in the private sector outside of the qualifying industrial zones.

Jordan, both in law and in practice, currently does not comply with its agreement on labour cooperation with Canada. I urge the Canadian Parliament to take these matters into consideration before moving forward with ratification of the agreement.

Thank you.

The Chair: Thank you, Mr. Vogt.

We're moving now to Munich, Germany. I guess it's getting late for you there. Thank you very much for your appearance and for staying late to speak with us.

Christoph Wilcke is the senior researcher, Middle East and North Africa division of Human Rights Watch.

From Munich, we will go to Mr. Wilcke.

Mr. Christoph Wilcke: Thank you very much.

Thank you, Mr. Chairman, honourable members of the committee, ladies and gentlemen, for allowing me to address you today on the issue of the free trade agreement proposed between Canada and Jordan and on the issue of human rights therein.

I have worked on human rights issues in the Middle East for the past ten years and have been a researcher with Human Rights Watch for the past five and a half years, in which I have focused on Jordan among other countries, such as Saudi Arabia, Kuwait, and Yemen. I was last in Jordan a couple of months ago, in July and August, to investigate the human rights situation of domestic workers and to assess whether the changes that Jordan has put in law and in practice to regulate that sector have had any positive effect.

Before I turn to labour issues, however, allow me a few brief words on the human rights situation in general in Jordan with respect to the administration of justice and to freedom of expression, association, and assembly.

King Abdullah in November 2009 dissolved Parliament by decree and ordered that new elections be held within a year. They are now scheduled to be held in two weeks' time. Since the dissolution of Parliament, the government has ruled by decree and has issued a raft of new laws, including laws on the independence of the judiciary. This new law and attendant regulations have sparked opposition by quite a large number of judges—over 100, I believe—who say that the independence has been further curtailed.

In Jordan the legal profession has long complained about the administrative and financial powers that the Ministry of Justice holds over the judicial profession. In Jordan the Minister of Justice recommends candidates for the position of judge before the supreme judicial council nominates them. The king then has to endorse the nomination by decree.

Another aspect of concern in the administration of justice in Jordan is the position of prosecutors. They fall under the Ministry of Justice, but it is prosecutors and not independent judges who issue arrest and detention warrants, which are not reviewed by an independent judicial tribunal. These are valid for 15 days, and are renewable for up to two months before any judge takes a look at them.

In Jordan there are also a number of special courts. Most prominent among them is the state security court, where two-thirds of judges are military judges and where a military prosecutor prosecutes cases. This court has jurisdiction over a large number of internal security matters but also over cases such as those involving corruption.

In my experience over the past five and a half years, I have come across a number of cases in which prosecutors issued arrest and detention warrants without reviewing evidence very closely, often solely on the basis of complaints filed by citizens or other persons.

Jordan furthermore has imprisonment for debt, in violation of international law. Jordan is a party to the International Covenant on Civil and Political Rights, article 11 of which prohibits imprisonment for debt.

In March 2009 Jordan became one of the first countries in the region to issue a law against trafficking in persons. Commendably, this new law takes on the international definition of trafficking in persons, which includes forced labour. We'll turn later to how that is working.

Furthermore, in Jordan there exists administrative detention—that is, detention ordered by a Ministry of Interior official, the local governor—without any judicial review, for an unspecified amount of time.

Regarding freedom of expression, association, and assembly, in 2007 Jordan updated its present publications law, saying that it had done away with imprisonment for journalists. While that is true, the Jordanian penal code retains a whole host of articles that violate and criminalize free speech, including insulting the king, committing *lèse-majesté*, or disparaging the reputation of government institutions such as Parliament, a ministry, or its members.

In 2010, furthermore, just in late August, Jordan issued a law on the Internet, which extends all these penal code provisions to anything a person might express on the Internet.

In 2008 Jordan slightly updated its law on public assemblies. The main point of criticism is that it is the governor who retains absolute discretion as to whether to allow or to permit a public assembly, including routine meetings of non-governmental organizations that may want to rent a hotel room to discuss, let's say, election monitoring. The governor has routinely denied permission for such meetings to take place.

• (1555)

In 2009 Jordan slightly updated a 2008 law on non-governmental organizations, which is to a large extent the same as the old 1966 law. This law continues to give Jordanian authorities wide discretion regarding the registration of non-governmental organizations and in some cases also their dissolution. This is done by government decree and not by an independent court. Furthermore, in 2009 for the first time, NGOs seeking financing from foreign parties must seek government approval from the prime minister beforehand.

In 2008, as my colleague mentioned, Jordan updated its labour law. I believe foreigners are now allowed to join unions. However, they do not have voting rights, and they may not therefore vote in favour of a strike. The major improvement of the 2008 amendment to the labour law was the inclusion of domestic workers, which, in a first for the region as a whole, now fell under the umbrella of the labour law. However, the labour protections granted to domestic workers fell far short of those granted to other workers in other sectors. For example, Jordanian employers of mostly Asian domestic workers, almost all of whom are women, may legally confine them to the house and restrict their freedom of movement. Furthermore, as my colleague also mentioned, working hours are much longer than in other sectors, with no limit on overtime.

I want to bring to your attention a couple of cases that happened recently this year. For example, in May there was a small protest at a meeting where the Minister of Agriculture spoke by so-called day labourers employed by the ministry, protesting that a number of their colleagues had recently been fired. These were labourers who had worked for many years for the Ministry of Labour but had never

been granted the status of government employees. The person who led these small non-violent protests was later charged at the state security court for an unlawful gathering and sentenced to prison. Also in May of this year, a university student, Hatim al-Shuli, was, by the prosecution, said to have written a poem published on his own Internet site that was said to have insulted the king. He was detained for 90 days and prosecuted for insulting the king. The prosecution remains current right now. Just last week, there was an incident ahead of the current election campaign where some people who called on Jordanians not to participate in the elections, believing them not to be free, were arrested by the government for expressing their views in public and gathering in a small non-violent protest outside of the prime ministry.

I have had opportunity to briefly look at the labour provisions in the free trade agreement under consideration, and I believe the inclusion of the ILO standards is an important step, but our observations are that these would have better been integrated fully into the agreement, not as a side agreement, to make sure that labour infractions and commercial infractions receive the same weight. Furthermore, as my colleague already noted, Jordan is not quite there yet in terms of respecting all of these ILO agreements and standards. It would have perhaps been wiser to think of a process of incentivizing Jordan to comply with them in return for gaining free trade status.

I would urge members of the committee to consider violations and restrictions in Jordanian law and practice of freedom of expression and association as part and parcel of such labour agreements as they may indeed constitute a trade barrier. My colleague has already alluded to the qualified industrial zones. This is where we receive the most complaints from migrant workers. There are complaints about abuse, physical abuse, non-payment of labour, long working hours, and confinement. The Ministry of Labour inspection service has indeed improved a little bit over the past few years, largely with U.S. technical and financial support, but at least in the domestic worker sector that I recently investigated, this has not yet borne fruit.

• (1600)

To conclude, I think the free trade agreement provisions regarding labour have the potential to improve labour conditions if Jordan were to fully implement them. I urge the committee to give consideration to providing equal weight to labour issues compared to commercial issues; move to an incentive on how to move Jordan toward compliance; make sure there's an individual complaints mechanism in that provision; and pay particular attention to the labour rights of migrant workers, and forced labour in particular.

Thank you very much.

The Chair: Thank you for staying to assist us today, considering the late hour there.

We'll begin a round of questioning.

I would like to point out to the committee that our witnesses from the Grain Growers of Canada have about 30 minutes before they have to leave. So if you have specific questions for them, you might want to roll them out.

•(1605)

Mr. John Cannis (Scarborough Centre, Lib.): I would ask that they submit some of their stats to the clerk so we can have them. They gave some very good statistics about numbers in their presentation.

The Chair: Okay.

Mr. Phillips and Mr. Stanford, have you noted the request for provision of the statistics you gave in your remarks?

Mr. Richard Phillips: Yes, we can provide them.

The Chair: Thank you.

I think we'll begin our first round of questioning with the Liberal critic for international trade, Ms. Hall Findlay.

Ms. Martha Hall Findlay (Willowdale, Lib.): Thank you very much, Mr. Chair.

Thank you very much to all of the witnesses for being here. It's a little different with those of you who are by video conference, but it is much appreciated.

To the Grain Growers, I understand the timeframe. When you provide that material I wonder if you can include some comparatives—some of the competitors to Canada in your areas, what the relative tariffs mean now, and what they might mean in the future. That would be very helpful.

I want to address my questions to both Mr. Vogt and Mr. Wilcke. I don't think there's anybody in this room who isn't concerned about labour conditions, freedom of speech, and freedom of association. I would say that every person in this room is equally concerned about those issues. I appreciate your taking the time to describe some of the concerns.

I think the bigger issue for us is whether trade helps or hinders those conditions. After all, this is a free trade agreement and we do have labour provisions. I appreciate Mr. Wilcke's comments about whether the labour piece is better in a side agreement or not.

I have a broader question about whether you think engaging in trade—or increased trade, as we already have trade with Jordan—will make things worse.

Mr. Wilcke, maybe you could answer that first.

Mr. Christoph Wilcke: Certainly. Thank you.

Jordan is a country that suffers from significant unemployment. There is a wide gap between official figures and estimates. Furthermore, it has an extremely low participation of women in the work force. It's just about the same rate as Saudi Arabia, for example, which is low for the region, and the region is very low for the world.

Jordan can use some economic activity to provide work for its citizens. The qualified industrial zones came up after the Jordan-Israel peace agreement in 1994 and were meant as a vehicle whereby Jordan would provide the workers, others would provide the capital, and the United States would perhaps provide the market. However, this has not actually benefited Jordanian workers. The majority of workers in these qualified industrial zones are from Asian countries.

Jordanian businessmen have turned to Asia, Bangladesh, China, Indian, Sri Lanka, and other countries to hire cheap labour.

Ms. Martha Hall Findlay: If I could interrupt, maybe I could rephrase the question then.

Will not engaging in greater trade make things better? I'm trying to address the often heard criticism that we shouldn't engage in these free trade deals because of the conditions in the other countries. I guess it's a fundamental question of whether it is somehow improving those conditions if we refuse to engage in greater trade.

Mr. Vogt, maybe you could address this. You mentioned the 2006 exposé that helped improve certain conditions in the textile business. How did that exposé come about?

Mr. Jeff Vogt: First, I think it's a difficult question to answer in the abstract because it really depends on what the trade agreement provides, the model of the trade agreement you have. It is not just labour...but I'll return to that again.

A number of things that you find in most contemporary trade agreements have an impact on the ability for citizens to be able to enjoy the fruits of their economic activities, whether it's the investment provisions, intellectual property provisions, which may have an impact on public health and access to medicines, for example, or whether it's investor provisions that have potential to put at risk—

•(1610)

Ms. Martha Hall Findlay: Sorry to interrupt, but we're all very conscious—

Mr. Jeff Vogt: —public health or environmental regulations and so forth.

Having not read those provisions of the Canada-Jordan FTA, I can't speak to those, other than to note that in the United States we've been working on those issues. I note many similarities between the trade agreements that the U.S. has negotiated and those that Canada has negotiated. So to the extent that investment in intellectual property and services procurement provisions...again, it's just to know that those can have a substantial impact on the citizenry of a country that engages in trade with another country.

With regard to the 2006 exposé, it was something the national labour committee, through research in Jordan, followed up by the AFL-CIO submitting a complaint under the U.S.-Jordan free trade agreement, tried to raise: the issue of very severe worker rights violations in the qualified industrial zones. As my colleague Mr. Wilcke has referred to already, there were very unsanitary working conditions, forced labour in the form of withholding of passports of migrant workers, substantive—

Ms. Martha Hall Findlay: Mr. Vogt, I'm sorry, I just want to stress again that we're very conscious of time.

We're all very worried about the abuses. What I'm trying to get at fundamentally is how does negotiating or entering into a free trade agreement, or refusing to enter into a free trade agreement, make things better?

I was asking about the exposé because my sense of that was that there was engagement and an opportunity for people to go in to have a look; there was the publicity surrounding the bad conditions that in effect ultimately helped to improve them.

It comes back to the question.... We're all upset about the abuses and the bad conditions. The question is whether engaging in more trade is better, or is refusing to engage in trade actually a better option?

We just got buzzed, so we're short of time.

Mr. Jeff Vogt: Again, I think it's a difficult question to answer in the abstract. I think engaging in trade with another country is no guarantee that workers in those countries will be able to benefit and earn their fair share of the gains that may be attendant to that trade. This is why we feel very strongly that it's important that there be strong labour provisions in trade agreements and that those be taken with utmost seriousness.

The Chair: Thank you.

Is the glass half full, or is the glass half empty?

Moving on to the glass is half empty, we'll begin with Monsieur Laforest.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chair.

Good afternoon and welcome to all the witnesses. I will begin with a question for Mr. Phillips.

Earlier, you mentioned two or three strategic advantages. You said that Jordan was a member of the Gulf Cooperation Council and that the free-trade agreement between Canada and Jordan was beneficial, as well as strategically important.

Setting aside those strategic reasons, does the agreement still benefit the group you represent? Will the level of market growth be worth the trouble, without taking into account the strategy of other groups to develop further trade?

[English]

Mr. Richard Phillips: The answer is yes. Setting aside all the other strategic reasons, the tariffs are up to 30%. So if the tariffs come down, that will give us a significant financial advantage, as Canadian exporters, in selling to that market, especially the pulse crops—the peas, the lentils, the chickpeas. Those are products that are consumed a lot in the Middle East. They can't grow enough, and they always need to be importing.

• (1615)

[Translation]

Mr. Jean-Yves Laforest: Thank you.

This is for both Mr. Vogt and Mr. Wilcke.

As you are aware, Quebec and Canada are two trading nations. You said that there were problems with the organization of labour and that rules or restrictions were not always respected, nor were human rights.

Mr. Wilcke, you can still see some benefit to a Canada-Jordan free-trade agreement. Earlier, I said that Canada and Quebec were trading nations because it is in their interest to engage in trade. We want to improve trade with the Middle East, but you said you had reservations about Jordan.

Can you name some Middle Eastern countries with a situation you would identify as troublesome? Can you name some countries that are better than Jordan in this respect?

[English]

Mr. Christoph Wilcke: I'm happy to try to answer that. First, I'm not an expert on the region. As a whole, I know that the qualified industrial zones are particular to Jordan in the way they are set up. However, labour rights abuses are certainly familiar to us from a number of countries in the region.

My remarks were set out not so much to describe the problems as to describe the access to justice. How does the Jordanian system work when something goes wrong? I think what you can say is that Jordan does not encourage people to speak out about any complaints and violations. But when there is an international focus on violations, that can help spur the government to action. But it won't come alone.

[Translation]

Mr. Jean-Yves Laforest: I will let you respond. Go ahead.

[English]

Mr. Jeff Vogt: Thank you.

In response to your question, what you have here, obviously, is a binding labour agreement between Jordan and Canada. When we look to other countries in the region and discuss whether there are better or worse ones than Jordan, certainly there are candidates. I think, obviously, the United Arab Emirates imposes significant restraints and, in fact, outright bans on trade unions. We have very serious concerns with regard to freedom of association and collective bargaining in Egypt, for example.

So I think that there are a number of countries in the region that provide us with much concern about labour rights practices. But in the case of Jordan, again, I think it's important to know that the two countries have negotiated binding commitments, and at the present time Jordan clearly doesn't comply with those. So to ratify this agreement in its current form is essentially to enter into an agreement with a country that you know from day one is not in compliance with the binding terms and conditions of the agreement.

I would certainly recommend, at least on this issue, and there are certainly other chapters that I think merit review, that there be dialogue with the Jordanian government about bringing its laws and practices into compliance with the terms of the agreement, obviously before ratification of the agreement.

I will make just one point of clarification. My colleague was referring earlier to this question of whether migrant workers are able to freely associate and bargain collectively. I'm just looking at a May 2010 report from the ILO. I think there was an intention in 2008 to extend the coverage of those collective labour rights to migrant workers, but it didn't materialize. So it is still the case that migrant workers are excluded, per this ILO report from this year, from participating in trade unions and from bargaining collectively.

[Translation]

Mr. Jean-Yves Laforest: I do not think you answered my question entirely, neither one of you. You did not name one, two or three other countries.

Mr. Vogt, how did you come to the assessments you are giving us today? Do you, yourself, go there? Have you been to Jordan? Is your assessment based on first-hand experience?

• (1620)

[English]

Mr. Jeff Vogt: I have not personally been to Jordan. I have been to other countries in the region: Kuwait, Bahrain, and the United Arab Emirates.

The AFL-CIO has a sister organization called the Solidarity Center, which has offices around the world and maintains programs in about 60 developing countries. We do have offices in the Middle East region and have frequent contact with workers and worker organizations throughout the Middle East. Much of our information comes either directly from our field offices in those areas or from the reporting of the International Labour Organization and the International Trade Union Confederation, an umbrella organization of all trade unions in the world, as well as from other credible international sources.

[Translation]

Mr. Jean-Yves Laforest: That answers my question completely.

Thank you.

[English]

The Chair: Thank you, Monsieur Laforest.

We're going to move now to the NDP. Mr. Julian.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thank you, Mr. Chair.

Thank you to all our witnesses for being here today.

I'd like to start with both of you, Mr. Wilcke and Mr. Vogt, because I think you very correctly pointed out that it's not trade in and of itself that's good or bad, but the kind of trade agreement.

Certainly in Canada, for example, we have experience with what's happened in Mexico. The provisions around NAFTA have led to a demonstrable worsening of conditions for most Mexicans, a meltdown of the rural economy, and a vast increase in drug wars. So how a trade agreement is structured is very, very important.

I'd like to come back to the points you made, Mr. Wilcke, around the labour law. If I am correct in understanding what you were saying, there has only been a symbolic allowing of foreign workers to join a union; they can't participate and vote and have no labour

rights except the symbolic right to join a union. Please respond on that.

For both of you, I think the point you're trying to make is that right now there is an opportunity for Canada to learn from what happened in the United States and to really push for compliance with all of those international agreements that have been broken.

Are you not both saying that rather than rubber stamp bad behaviour, what Canada should be doing is enforcing good behaviour and using the leverage of negotiations to put in place a trade agreement that actually helps Jordanian workers?

Mr. Christoph Wilcke: Thank you.

There's some confusion about the exact status of non-Jordanian workers in Jordan and their right to join a union. For certain, they do not have the right to participate and to vote on strikes. There we agree.

Over the years that I have been in touch with Jordanian workers, I know there are also separate union-type mechanisms in Jordan called the professional associations for doctors, lawyers, agricultural engineers, dentists, etc. There are about 12 professional associations. These are tightly regulated by the Jordanian government and do not have a lot of freedoms of association that we would otherwise identify.

You asked if we should rubber stamp bad behaviour. I think Jordan does react to international pressure. It certainly behaves Canada to engage in a dialogue with Jordan on what the appropriate labour conditions are and what changes need to take place in the ministries. One problem that Jordan has had in the past is its very frequent changes of ministers of labour. They have gone, and this year alone I think Jordan is on its third or so minister of labour.

A recent change that occurred in July this year was the curtailment of a tribunal in the ministry of labour called the wages authority, which had the authority to review salary disputes of workers until six months after they had left employment and to reach conclusions. Now they have only the ability to issue rulings for workers who are in current employment. But if somebody leaves employment because they have not been paid, they do not have access to this fast-track mechanism. In Jordan, by law, all labour disputes are supposed to be adjudicated within three months in the regular courts. However, that does not happen in practice. That's another issue I might—

• (1625)

Mr. Peter Julian: Mr. Wilcke, I'm going to have to cut you short. I'm sorry.

I'm going to have to ask Mr. Vogt to respond, because I also have questions for our other two witnesses and I only have seven minutes.

Mr. Jeff Vogt: Thank you.

Yes, I think perhaps the experience of the United States and Peru could be instructive. The agreement on labour cooperation that Canada has negotiated with Jordan resembles in large part—and there are substantial differences—the U.S.-Peru free trade agreement labor chapter. In that instance we use the leverage of the labour chapter, especially in that it called—at least in the United States version—to adopt and maintain laws that were consistent with the rights that are stated in the ILO Declaration on Fundamental Principles and Rights at Work. Obviously that opened up an opportunity for us to engage with the Peruvian government on very specific labour law reforms addressing a number of concerns that both the ILO specifically and the trade union movement in that country had noted.

Because of the administration I think they decided to implement the trade agreement, although not all the critical issues have been addressed. But I think the agreement on labour cooperation between Jordan and Canada does certainly give you that leverage, to require the Jordanian government to bring its laws into compliance with international norms. It's something they've already agreed to in text. It is largely affirming something they have already agreed to as members of the International Labour Organization, through the ILO declaration, and obviously this labour agreement goes beyond the core labour standards but I think it does provide leverage, and I would strongly encourage the Canadian government to make use of that leverage and to bring about the legal and practical changes necessary to allow Jordanian workers a benefit.

Mr. Peter Julian: Thank you very much. And I'd appreciate, if you do have a moment later on to respond to questions, if you would take an opportunity to respond to the structure of the European Union with Jordan. They have independent human rights monitoring and human rights governance committees.

I wanted to go to our other witnesses, Mr. Stanford and Mr. Phillips.

Many people say we have a dysfunctional trade strategy. When you look, we sign these bilateral trade agreements and then our exports to those markets go down. Whether you're talking about Israel, Chile, Costa Rica, we've done it time and time again. So obviously something is not working with our trade strategy. Most middle-class Canadians are earning less, and our exports, the markets we signed these bilaterals with, go down. So I'm wondering, in terms of the people you represent, whether you've seen an increase in exports for bilateral markets, at least in your industry. I'm talking in real terms, not in current dollars.

Secondly, how does the little investment that this government makes for export promotion, product promotion support, compare with our foreign competitors, who give much, much more? Canada always seems to under-finance export promotion, rather than putting its money where its mouth is.

Mr. Richard Phillips: Thank you very much for the question.

First, on the export promotion dollars, I think we did respond once on behalf of the pulse industry with some numbers on how much—last spring.

Mr. Peter Julian: It hasn't changed?

Mr. Richard Phillips: I'd have to go back and double-check on that, but the government has been fairly active on a commodity-by-commodity basis. For example, they've worked very closely with the canola industry and the pulse industry specifically, on increasing not just into the bilaterals but into all their markets. So there is...I don't know if they're focused quite so specifically on helping a company once we negotiate a specific bilateral. I don't think the tie is there with the direct funding. It's more of a general one, and then the companies and the industry, whether it's pulse or canola, determine where their priority markets are.

You can negotiate a bilateral, for example, with Jordan, but it's not necessarily a priority market for canola oil. That might still be China or Japan or the EU or somewhere else. So to some degree the private sector has to also determine where the priorities are, because the bilaterals aren't always exactly the same priorities as what they are, and I think that's part of the reason why you maybe haven't seen the numbers jump up immediately when there's a bilateral. Sometimes they're not a priority. It's hard to be a priority for all commodities in all markets because different countries have different domestic production. Some countries might produce a lot of oilseeds, so we're not going to export oilseeds there. In other places maybe they produce a lot more cereal grains and there's not the opportunity to export there. So where we go really depends on the market.

I think, if I can have another minute, part of what we don't understand all the time is that cultures deal differently from what we do here in North America. Sometimes we just deal on price, and in a lot of the other markets it's all about building longer-term relations and getting to know the people. And I don't think Canadians necessarily have done the best job of understanding those other cultures when they go in to start trading, which is, again, why you may not have seen immediate jumps in any numbers.

•(1630)

Mr. Peter Julian: Do you actually monitor after the bilaterals are signed?

Mr. Richard Phillips: The Grain Growers of Canada? We don't have the financial resources ourselves to do that.

Mr. Peter Julian: Okay.

Thank you.

The Chair: Thank you, Mr. Julian.

I understand it's getting close to the hour that you have to leave us, Mr. Phillips and Mr. Stanford. Do you want to make a closing...?

Oh, you're going to stay another ten minutes? Fine, because I'm sure you'll be having questions from this side.

Mr. Richard Phillips: One round of questions, a quick closing remark, and then we'll have to go. We're due at the finance committee to make our budget presentation. That's why we're leaving; it's not because we don't enjoy your company.

The Chair: Thank you.

We're going to move to the parliamentary secretary for international trade, Mr. Keddy.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Thank you, Mr. Chairman.

I was hoping that our witnesses for agriculture would be able to stay a bit longer. Mr. Holder has a couple of agriculture questions.

Just before I turn it over to him—since our witnesses will have to leave soon—I would make just one comment. I believe it was Mr. Stanford who made the comment about the Doha Round of the WTO. Without question, we would prefer to see the multilateral forum work as well, and have certainly been supporting that as a government. The issue is that when the multilateral forum is bogged down, there's no choice but to go out and look at bilateral agreements. We've been doing that fairly successfully, which is, I think, at the end of the day, good for agriculture. We'd like to see the multilateral forum move forward, but when it's not moving, it's no good to stand still.

Mr. Holder has a couple of agriculture questions he wants to get on the record.

Mr. Ed Holder (London West, CPC): Thank you very much.

I'd like to thank all of our guests for attending today. You'll forgive me—I'm presuming that we may have a second round—but I now want to focus most of my questions with respect to our colleagues from agriculture, from the Grain Growers of Canada.

Last week the Canadian Cattlemen's Association spoke to us. Like you, they're very supportive of a free trade agreement. Also like you, our beef producers acknowledged the importance of Jordan in a number of ways. Firstly, for some of this business—and I would acknowledge, as they did, that beef producers are not exactly in the largest market at this point as compared with grain growers in some specific areas—they felt, as did you, that it was going to be a strategic opportunity. With the kind of business that exists within the Middle East, this opens a door beyond where we already are.

It's rather interesting as well, because, like you, the beef producers talked about tariffs anywhere from 10% to 28%; you're talking about 30% tariffs.

As I hear the testimony from all four of our guests today, I know that it's two different perspectives but parts of the same whole, if you will. Certainly issues relating to human rights, as my colleague opposite said earlier, we all care about. That matters to us, as does ensuring that we have agreements that respect labour conditions; it's equally important.

But lest we forget, this is also about doing good things for Canada, and I don't want us to miss that opportunity. As we look to putting this deal together, I don't want us to miss that this is good for Canada, which means it's good for our farmers from coast to coast. Whether they be from Quebec, whether they be from Ontario—from the east to the west to the north—it's important to all of our agricultural community that we put this deal together.

Sometimes I find that gets lost in this whole dialogue. While we should and we do need to show concern for other countries with whom we deal in terms of respecting the various agreements, I would say that what hasn't been mentioned today... Although we've mentioned the labour agreement, I have not heard any mention of the environmental cooperation agreement, which is also critical. We're putting in place a rules-based system that did not exist before as we try to do trade.

So I want to come back to that point, that it's important for Canada. It's not just the folks on the other side of the negotiating table who we're trying to respect.

I'd like to get a sense from you, Mr. Phillips and Mr. Stanford, as to why, from your perspective, this is so important to the grain growers. You can broaden that out to the agricultural community, if you wish, but why is it so important? It was important enough for you to come here and provide testimony today.

• (1635)

Mr. Gary Stanford: One thing I'd like to mention is that we're heavily reliant on exports. All of us, whether it's beef or grain or pulses or oilseeds, are very reliant on exports. If we can keep working on a way to get more access to more countries, then that will be good for the continuation of farmer growth and for not having to worry about subsidies on the farm.

As an actual producer, that's my point of view: I want to continue to grow and not have to worry about us getting internal subsidies.

Mr. Ed Holder: Mr. Stanford, are you saying that this deal will save the family farm?

Mr. Gary Stanford: No, it won't.

Mr. Ed Holder: You could have said yes.

Mr. Gary Stanford: Well, yes, it will help.

Mr. Ed Holder: What I certainly heard you say is that this is of a fair amount of importance to the grain farmers.

Mr. Gary Stanford: Oh, absolutely.

Mr. Ed Holder: Mr. Phillips.

Mr. Richard Phillips: I think one key piece—and in response to Mr. Julian's question—is that in the Middle East culture a lot of business is done because of relationships. You hear the anecdotal stories of when you go to buy a carpet you sit down and drink three cups of tea and have a long negotiation. A lot of business is about those relationships, and it's about trust.

The other piece of the business is that it's about extended family in the Middle East. We've certainly seen with Sask Pulse—it's a big company in Saskatchewan and it exports pulse crops—that once you have your foot in the market and you're dealing with someone, then that person will say, “You know, my brother-in-law lives across the border in Syria”, or “My cousin is in Iraq”, or “My wife's family is from Egypt”. It opens all those doors internally, which is where the opportunities for trade come.

They may not always show up in the direct bilateral numbers, but our anecdotal experience from our exporters is that it opens doors in the whole region. I think that's really key in getting our foot in the door before other countries do, to start building those relationships that will lead to expanded business.

Mr. Ed Holder: That's rather interesting.

I know you were looking at my colleague opposite to make sure that the point you were making was very clear.

Mr. Richard Phillips: I have great respect for Mr. Julian.

• (1640)

Mr. Ed Holder: It's great regard that we all have for him, I'm sure.

In fact, he made some reference that some people say we have a dysfunctional trade policy. I would suggest it is only those who have never supported a free trade agreement, in my experience thus far, who have made those kinds of comments.

It's rather interesting. I also heard him make some references to Mexico, with our NAFTA deal. It's still not clear to me—and this is not a question for him—how our free trade agreement with Mexico has somehow exacerbated the challenges of drugs in Mexico. However, that will be a dialogue for another time.

I have a final comment to the two of you gentlemen. When you were asked about Canada's support in promoting products, you indicated that the Government of Canada has been very active in helping promote canola and pulse. Can you explain to us a bit more about how that promotion works?

Mr. Richard Phillips: I can't think of the exact name of the program, but there is a federal program—in fact it was available under the Liberal government, as well—where the industry, not just one company, can get together.

They put together a marketing plan, for example, how can we expand canola by another three million tonnes in the next five years?—I just put that number out there. They plan what markets we are going to go to, where we can sell, where the growth is. Where's the middle-income population in the world growing? Is it China, India? How do we then get in there to market our products and provide a fair return to the exporters, the crushers, and the farmers here?

That's the approach we've seen.

Mr. Ed Holder: My question then would be that as we move to open up Jordan and then expand other opportunities throughout the Middle East, are you concerned you're going to run out of canola or pulse to sell? Would you imagine you'll have sufficient product with the capabilities of our Canadian agricultural community?

Mr. Richard Phillips: I think with having more market opportunities the canola will then flow to the higher-priced markets. That's where we would see ourselves marketing into. Jordan will probably never be a big market for canola, for example, because they have cheap access to olive oil. It will be a market for the pulse crops they consume locally in their diet.

It depends on the market, I guess, as to where we go. We have a lot of room to increase production in canola. I think we're a few years away from hitting the wall, so to speak, on that.

Mr. Ed Holder: So we may yet save the family farm, Mr. Chair.

Thank you.

The Chair: Thank you.

Mr. Richard Phillips: Mr. Chair, can we just make a closing remark? We have to go to the finance committee.

The Chair: All right.

Mr. Phillips would like to conclude.

Mr. Richard Phillips: We'd like to thank everyone for the opportunity to be here today and for the good questions you've asked.

In general, I think our philosophy would be that you could probably effect more change from being inside the tent than outside. I think that's the point some people were trying to make earlier today.

I did smile at some of the earlier comments from the other witnesses. At one time in my life I was the vice-president of a 17,000-person trade union, so I'm well aware of labour rights and the ILO and some of the work there. They were talking about the excessive overtime hours being worked, and I had to smile, because several Hill staff have told me about that here on Parliament Hill.

A voice: And certain farmers I know.

Mr. Richard Phillips: And certain farmers too, yes.

So I leave you with that as a final remark. Thanks.

The Chair: I'll just beg the indulgence of our other witnesses for a moment to thank Mr. Phillips and Mr. Stanford from the Grain Growers of Canada.

We'll now bid you adieu. If you'll quietly steal away, we'll continue with questions for the others. Thank you very much.

Moving to round two, I'd like to call on one of our vice-chairmen, John Cannis, to ask questions of the witnesses in Washington and Munich.

Mr. John Cannis: Thank you, Mr. Chairman.

I would like to welcome our guests, the ones who are leaving and also the ones who are in Europe and Washington.

To Mr. Phillips as he is leaving, I've often said myself that I'd rather be there, trying to teach and to change things, than actually stay away and be no good to anybody.

Mr. Chairman and committee members, I know that as other members were speaking, my colleague Martha Hall Findlay and I were discussing this in private. As I said to her, who would have imagined 35 or 40 years ago that there would be unions in China, for example? Who would have imagined 35 or 40 years ago that they would be talking about labour laws, standards—the whole gamut? I think that was achieved because we ventured to go there and change the way things were done. And they've changed significantly.

I was impressed with what the farmers had to say, but there was a downside to it also, Mr. Chairman, only because they talked about that group of the various countries—Bahrain, Qatar, the Emirates, and so on—and recently I've been a bit annoyed at the fact that we might be in jeopardy of losing these partners only because part of the trade agreement is trying to work toward our open skies. I would ask that this be addressed as well, somehow, with Emirates airline so that we can move progressively forward for the benefit of all.

Mr. Chairman, I want to ask a question of the two witnesses. It doesn't matter who answers; it could be either the gentleman from Germany or the gentleman from the United States. I'm going to pick up from where my colleague left off, and I want to give the witnesses this opportunity to answer; there wasn't time for them to finish earlier.

Does going there and working with these countries do them good, or does going there do them harm? I would ask them to think about this, because they focused on the garment industry, and they didn't talk about the agriculture exports—the beef, the lentils, the chickpeas, etc. I've heard from witnesses about the garment industry, the garment industry, the garment industry.

I recall, Mr. Chairman and colleagues, that some years ago there were some brands—I'm not going to name any, because I think it would be unfair—that they asked people to stop buying because the brands were being produced under certain conditions. The international community responded—and so did the company, properly.

I am asking myself, are we going to do good by just turning the key, throwing it away, and saying that because there are violations...? We've heard there are violations. That's what this committee is all about. That's what we're looking into.

Gentlemen, are there not other ways to address these issues, as opposed to just saying no, we're not going to do a free trade agreement with them?

I'm looking for either witness to perhaps elaborate on that, Mr. Chairman.

• (1645)

Mr. Jeff Vogt: I'll start first, I guess.

It appears that the Canadian government has already made a decision to pursue an approach of engagement rather than non-engagement, and you have, through the agreement on labour cooperation, come up with a series of binding terms and conditions. I think it is incumbent upon the government then to try to ensure that those terms and conditions are met.

Obviously the Jordanian government needs to do most of this work, because it's a reform of domestic labour law and regulation. But with already the participation of the ILO, with its Better Work program in the garment sector—at least for now—and the cooperation that the U.S. government and others have provided, I think it is possible to see reform, over the long term, of the enforcement mechanisms of the country that are necessary to make sure that employers adhere to the labour laws.

Again, I would just simply urge that two countries have agreed to this agreement on labour cooperation, and it would be important that both sides live up to the agreement to its fullest and, where

necessary, help provide the resources or technical capacity to those who may need it in order to meet the commitments of the agreement.

Mr. John Cannis: What you are saying then, Mr. Vogt, is go there, do the deal, and just work towards enforcement and implementation of the guidelines. That's really what I understood.

Mr. Jeff Vogt: It's not for me to say do the deal or not do the deal.

As I said at the beginning, there are a number of other chapters that I think are important to take into consideration beyond the labour chapter. So I'm not taking a position one way or the other. I'm saying you have an agreement. It gives you substantial leverage. Use it, and where necessary offer the technical support to allow it to be realized.

But I think it's important that this be something you do before you ratify the agreement. You have the maximum leverage now to try to bring Jordan into compliance with the obligations of this agreement now. And again, with the experience we had in the United States with similar language in the U.S.-Peru context, we were able to leverage this for important and substantial but not complete steps forward with regard to their labour legislation. We are now looking very closely to see to what extent Peru is living up to those obligations and enforcing those new laws.

Mr. John Cannis: Thank you.

I know my time is up, sir.

The Chair: Thank you.

Mr. Christoph Wilcke: Should I reply quickly?

The Chair: Sure, please go ahead, Mr. Wilcke.

Mr. Christoph Wilcke: I would offer a roughly similar conclusion. That is, if you do not go ahead with this agreement, I don't think Canada can expect to have any significant influence over labour conditions in Jordan. However, going forward with the agreement also by no means gives a guarantee that labour conditions will improve, even with the protections as they are in the treaty. The question is, if you want to go ahead, how can you do it smartly? What is Jordan's incentive to improve labour conditions? As my colleague said, now is the point of greatest leverage.

And I would urge Jordan, before signing this agreement, to first of all bring its laws into compliance with international standards. It would be wise to move some of the incentives from lowering tariffs forward incrementally in line with improvements in the labour standards. The two most important things for me in labour rights in Jordan are the access to justice, and the complaints mechanism. There is a lot to be done, from the ministry of labour inspections to the courts, and the position of the government to monitor the overall situation.

• (1650)

The Chair: Thank you for that addition.

We'll turn now to Mr. Cannan, followed by Monsieur Guimond.

Mr. Cannan, you have five minutes.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair, and our witnesses.

I just want to follow up on my colleagues' comments on our being here to help Canadian businesses expand, and we're also concerned about human rights around the world. So we're trying to strike the right balance.

I will just go back to the U.S.-Jordan agreement almost ten years to the day, October 24, 2000, when the U.S. and Jordan announced their agreement. It took effect on December 17, 2001, and over that nine-year-plus period they've actually doubled their trade; and from 2007 to 2009, there has been an almost 40% increase, from just over \$900 million to \$1.35 billion.

As Canada is a trading nation, we're being left behind. So we need to move forward and level the playing field with, as was alluded to, a rules-based trading system.

My question to you, gentlemen, is that at a time when the United States continues to trade in an aggressive manner, we want to be leaders from both an economic and human rights perspective. Part of the labour cooperation agreement we signed fulfils and respects the 1998 Declaration on Fundamental Principles and Rights at Work. The declaration addresses issues such as the right to freedom of association; the right to collective bargaining; the abolition of child labour, which I know has been identified by some other witnesses; the elimination of forced or compulsory labour; and the elimination of discrimination in respect of employment and occupation. Plus the agreement includes an enforcement mechanism.

My question to you, gentlemen, is do we just continue to allow the Americans to continue to increase their trade while we step back to try to get this perfect agreement, or do we move forward with this agreement and build on a rules-based trading system and have an enforcement mechanism to help improve the labour situation and the economic situation of both countries?

Mr. Jeff Vogt: I don't know that I really can or should speak on behalf of Canadian business interests, so I think I am going to take a pass on this question, other than to note that—

Mr. Ron Cannan: You can speak up on behalf of U.S. businesses, because you supported that when it came in, in 2001.

Mr. Jeff Vogt: I think the Jordanian market is a very small one for the United States, not really that significant, and actually, at least for Jordanians, their exports dropped precipitously, particularly in the QIZs post-crisis, the qualifying industrial zones, and the industry has been declining for quite some time.

I think the Jordanian agreements, together with other agreements that were negotiated by the Bush administration in the Middle East, were largely ones not driven by economic and geopolitical considerations.

Again, I reinforce the importance that all countries negotiate fair trade agreements in which labour and environment are a part. As I mentioned before, getting the text right on investments, services, intellectual property, and government procurement are also absolutely critical to make sure that an agreement strikes the right balance, at least from our perspective, for workers in both countries.

Mr. Christoph Wilcke: What I would say to your question is that the U.S.-Jordan free trade agreement can be perhaps instructive as to how it worked in terms of those labour provisions under that treaty. My main point here would be that it was not the agreement per se

that led to an improvement but it was international organizations like the AFL-CIO, which went public with violations several years after this agreement came into place, that then spurred some government action both by the United States diplomatically and by the Jordanian government.

Your previous question asked what the EU is doing. The EU has an association agreement with Jordan. I believe it came into place in 2002. It has a human rights clause in it. There is a six-month subcommittee on human rights meeting every six months in Brussels and Jordan. The EU is currently negotiating a free trade agreement with the Gulf Cooperation Council, as was mentioned earlier. It is also looking at the human rights clause there.

These are all, from our perspective, positive developments; however, we've also seen that countries have been rewarded with free trade agreements that then have human rights clauses in them, but they are not respected in practice. Sometimes they are awarded these free trade agreements despite recent declines in human rights protection. So it's not an automatic mechanism toward improving labour rights.

• (1655)

The Chair: Thank you.

Thank you, Mr. Cannan.

We're going to move back to this side of the table. We probably have time for two more witnesses, so we'll hear from Monsieur Guimond and conclude with Mr. Keddy.

I'm sorry, we're not going to be able to hear from one of our guests today, Mr. Savage. It's nice to have you with us. I'm sorry that we didn't have time to fit your questions in.

We also have Mr. Mayes, and again, I'm sorry, we're not going to have time to get to your questions as well.

We will now hear from Monsieur Guimond.

[*Translation*]

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Mr. Chair.

As you mentioned earlier, when it comes to the agreement between Canada and Jordan, the glass is either half-empty or half-full. Today's meeting is interesting in that it exposes us to other points of view. It also gives us some insight, especially into labour rights and human rights in Jordan.

My first question is for Mr. Wilcke. In an article that was published in February, you talked about violations of basic human rights by the state of Jordan, most notably the withdrawal of Jordanian citizenship from Jordanians of Palestinian origin. We know that approximately 2,700 Jordanians of Palestinian origin have been affected by this since 2004 and 2008.

Where do things stand today?

[*English*]

Mr. Christoph Wilcke: Sure, and I'll try to keep it extremely brief.

In February of this year, I went to Amman to discuss with Ministry of Interior officials the Jordanian practice of arbitrarily withdrawing Jordanian nationality from citizens of Palestinian origin.

In 1988 King Hussein of Jordan stated that he would have nothing more to do, legally and administratively, with the West Bank, which had been occupied by Israel since 1967, and that everybody living there would not have Jordanian citizenship any longer.

What we're seeing now are repercussions of that 1988 decision. Jordanians of Palestinian origin who might have been in Kuwait at the time or even living in Jordan are still having their citizenship withdrawn. It is an ongoing practice. It is clearly in violation of Jordanian law. It is contrary to international laws, some of which Jordan has not yet signed, such as the treaty on the prevention of statelessness, for example. It also comes in the current context of peace negotiations and the climate in the Middle East. Jordan wants to preserve a position whereby the largest possible number of persons living in Jordan are stateless so that they might qualify to be refugees and either go back to Israel or the West Bank, should there ever be a peace agreement, or receive compensation.

These persons, in terms of the right to work, have lost their residency status in Jordan, do not have the right to work, either in the public or the private sector, and need special permission to do so, which is issued by the intelligence service there.

[Translation]

Mr. Claude Guimond: I want to ask the both of you one last question. It is believed that there is a willingness on Jordan's part to improve its track record on human rights and labour rights. Do you think that is the case?

[English]

Mr. Christoph Wilcke: I'd like my colleague to take this question. I think it's a very good question. The question is not whether Jordan, as a state, wants to do so. There are many different factions in Jordan with different interests. The parliament in Jordan usually doesn't have a lot to say. It certainly does not draft legislation, as, for example, you do. It is the government that is appointed by the king that does so. However, especially in the royal court and in parts of the government—and the governments change almost yearly in Jordan, including the prime minister, by appointment of the king—have been rather progressive in wanting to further human rights agendas, including, sometimes, labour rights.

The 2008-10 changes in the law and practice certainly don't come from parliament or from the populace but from high up in the country. There are also significant obstacles. Especially security services are sometimes opposed to such reforms.

This is important in one aspect we haven't discussed yet. Jordan maintains something that is called overstay fines. Anybody who is out of residency status in Jordan incurs about a \$3 U.S. per day fine for overstaying. That means that a lot of migrant workers who leave their employment, sometimes, or most of the time, because of abusive conditions—they are beaten, they're not being paid, they're overworked—cannot actually leave the country, because they quickly accrue much more in fines than they're ever able to pay. I have met many migrant workers in Jordan who are stuck there for

months, sometimes years, and are unable to return home because of this particular immigration setting.

• (1700)

Mr. Jeff Vogt: I would concur with my colleague. I think the Jordanian governments over the last few years have shown some willingness to improve conditions. Certainly there have been some legal reforms. It works with the ILO in the construction of better work program in the QIZs, the qualifying industrial zones. Again, echoing the comments of my colleague, there are differences within the government. There are still substantial obstacles to overcome before the Jordanian government will have a set of laws, regulations, and practices that are fully consistent with international norms.

The Chair: Thank you, and thank you, Monsieur Guimond.

We'll go to Mr. Keddy.

Mr. Gerald Keddy: Thank you, Mr. Chairman. Welcome to our witnesses.

I have a couple of questions.

First of all, although our representatives and our witnesses from agriculture are no longer here, I think it's worth picking up on a point they made, and that is the fact that Jordan is certainly water-challenged. Much of the Middle East is water-challenged. We—whether it's Canada, the U.S., or the European Union—have fairly abundant water and great agricultural resources, so we're certainly in a position to help those countries feed themselves, and that may become even more important in the future. There's a greater market there outside Jordan, a total market of at least 40 million people, and probably more, if we expand to all the countries in the Middle East, so I see that as a great opportunity.

I'll come to my specific question. The fact is that we have a binding labour agreement here, and a binding agreement on the environment. I understand the logistical problems of implementing these. I think we all do, and we're all cognizant of that challenge, but what I'm hearing from both our witnesses here is a little confusing.

Mr. Vogt, you said that you thought the U.S. decision vis-à-vis their free trade agreement with Jordan could do nothing but help in the long run, and I would declare that our free trade agreement with Jordan could do nothing but help in the long run. We're already trading with Jordan. We're not just beginning to trade with them tomorrow; we're putting rules-based trading in place, with rules that will be binding upon both Canada and Jordan. No one is trying to pretend that the situation is perfect, but certainly putting rules-based trading in place versus simply trading with very few rules and high tariffs has to help both countries in the long run. That's my point here. We're simply trying to put parameters on a situation that already exists.

I'd like to hear from you first, if I could.

• (1705)

Mr. Jeff Vogt: For a point of clarification, I don't believe I ever said that the U.S.-Jordan free trade agreement could do nothing but help Jordanians. I'm sorry if you perhaps misheard me.

Mr. Gerald Keddy: Perhaps I did. What I wrote down was that the government needs to ensure that terms and conditions are met, and improving the environment in Jordan and labour practices can do nothing but help, so maybe you were talking about Canada's relationship.

Mr. Jeff Vogt: Regardless, what is important and what did not happen under the U.S.-Jordan free trade agreement, until there was an exposé, was substantial commitment. There needs to be substantial commitment on behalf of both governments to take this agreement seriously. The Bush administration in the United States not only did not really monitor the implementation of the agreement, but in fact sent a letter to the Jordanians that essentially said they were never going to enforce the labour provisions of the agreement.

High-level constructive dialogue and engagement between governments is absolutely essential to make this work. And going back to the point I made earlier, right now is the point of maximum leverage Canada has with regard to Jordan. I don't think the Canadian government would consider moving forward with this agreement if the Jordanian government were far out of line with its obligations under the investments chapter or the services chapter. It's important that the commitments undertaken here be taken seriously and that both governments do what is necessary to come into compliance with the terms of that agreement before moving forward on the ratification.

Mr. Gerald Keddy: I appreciate that answer.

It raises one other question, and that question.... I'll go back to rules-based trading. You do see the importance of dialogue, and you do see the importance of all parties being at the table and being able to have those frank discussions on human rights, on labour agreements, and on the environmental aspects of this agreement, but I'm asking you if you're suggesting in any way, shape, or form that it's anything but an improvement to the situation in Jordan. You're certainly not suggesting, I don't believe, that the U.S. would cancel its agreement with Jordan for any reason at this point, are you?

Mr. Jeff Vogt: No. I think it's unusual that the U.S. would cancel an agreement regardless of the conditions on the ground. There was

recently a coup in Honduras, and that wasn't sufficient for the U.S. to consider withdrawing from the Central America free trade agreement. It's very unusual for states to withdraw from international economic agreements.

However, again, it's going back to the balance of the trade agreement itself. Not having studied the rest of the agreement, I don't know whether, on balance, this agreement makes sense for Canadian workers or Jordanian workers. By looking at the labour cooperation agreement in isolation, yes, this does provide some opportunity that Canada could also take up in the context of its relationship with Jordan through the ILO or other international institutions. Given that you've negotiated this agreement, I'm reiterating that it's important that it be given the utmost seriousness and that both countries come into line with its commitments under this agreement before moving forward with ratification.

Mr. Gerald Keddy: Thank you very much.

Mr. Jeff Vogt: This is putting aside any critique I could have of other chapters of the agreement, which I think also have due bearing on the economy and the government being able to properly provide for its citizens.

The Chair: Thank you for those answers. That does take us past five o'clock here in Ottawa.

I particularly want to thank Mr. Wilcke for staying up so late in Munich to join us today. Thank you for your very useful comments throughout.

Also, to Mr. Vogt in Washington, thank you for joining us today and for answering questions.

If either of you have anything you want to add, please don't hesitate to send it through to our clerk and we'll be happy to add it to the record of this meeting. With that, I will bid you adieu.

We're going to suspend the committee for two minutes while we convert to in camera to do committee business.

[Proceedings continue in camera]

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