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Chair

The Honourable Rob Merrifield

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• (1100)

[English]

The Chair (Hon. Rob Merrifield (Yellowhead, CPC)): I will call the meeting to order.

We are about to embark on the free trade agreement between Canada and Jordan. This is Bill C-23. It has cleared the House and we'll be seized with this, as we move, until we complete it as a committee.

Just before we get into that, though, there are a couple of little things.

First of all, at our last meeting we talked about a reception with the business delegation from India. That will take place. This is good news: it will not be paid for by the committee. There will be a reception on the evening of Wednesday the 14th after votes, at six o'clock at the convention centre. There will be notification going out for all the committee members to meet the delegation there. That will work out very well.

The other thing is that we need to pass a budget for this Bill C-23 piece of legislation we're embarking on. So I'd entertain a motion very quickly to clear that out of the way.

Mr. Holder moves it.

(Motion agreed to) [See Minutes of Proceedings]

The Chair: Look at that. Who says committees don't get along?

We have with us today, from the Department of Foreign Affairs and International Trade, Marvin Hildebrand, director general, trade negotiation bureau.

I believe, Mr. Hildebrand, you are going to be presenting. You may want to introduce the people you have with you from the department. We are excited about this piece of legislation, and in the previous government it got to third reading. This time our goal is to get it much further than that, and into implementation. With that, the floor is yours. You may proceed.

Mr. Marvin Hildebrand (Director General, Trade Negotiations Bureau, Department of Foreign Affairs and International Trade): Thank you, Mr. Chairman. Thank you for allowing me the opportunity to speak to the committee about the Canada-Jordan Economic Growth and Prosperity Act, which implements the Canada-Jordan free trade agreement and the related agreements on the environment and labour cooperation.

As you may know, I was Canada's chief negotiator for these negotiations, and today I'll highlight briefly Canada's trade negotiations agenda more generally. We'll note some key benefits

of the Canada-Jordan FTA, as well as discuss generally Canada's relationship with Jordan.

Mr. Chairman, permit me at the beginning of my remarks to introduce my colleagues joining me at the table here today. To my left is Ton Zuidwijk, general counsel with Foreign Affairs and International Trade. To my right is Pierre Bouchard, director of bilateral and regional labour affairs, Human Resources and Skills Development Canada. Also joining me is Denis Landreville, lead negotiator, trade negotiations division, Agriculture and Agri-Food Canada. To my far right is Barbara Martin, director general, Middle East and Maghreb bureau at Foreign Affairs and International Trade.

Following my remarks, we will be available to respond to your questions.

[Translation]

First of all, let's talk about the government's pro-trade plan.

Consistent with government priorities as set out in the Speech from the Throne and the Global Commerce Strategy, the government is pursuing a robust pro-trade plan, which is an essential contributor to Canada's future prosperity, productivity and growth.

A key component of the government's strategy is the ambitious pursuit of regional and bilateral free trade agreements.

As highlighted in both the Speech from the Throne as well as Budget 2011, free trade agreements open doors for Canadian businesses by providing improved market access and other preferences to an increasing number of foreign markets, which in turn helps to make Canada stronger in an increasingly competitive global economy.

To this end, we are conducting free trade negotiations with two major global economic powers, the European Union and India. Trade negotiations are also already underway with a number of smaller partners, including Ukraine, Morocco and the Caribbean Community, CARICOM.

Canada is also exploring opportunities to deepen trade and economic cooperation with other major economic partners, including Japan, China, the nine-member Trans-Pacific Partnership and MERCOSUR—Argentina, Brazil, Paraguay and Uruguay.

To date, Canada has implemented free trade agreements with 11 countries, including with our North American Free Trade Agreement partners, Mexico and the United States; Israel; Chile; Costa Rica; Peru; Columbia; and the member states of the European Free Trade Association—Iceland, Norway, Switzerland and Liechtenstein.

In August 2011, Canada concluded a free trade agreement with Honduras, which is currently ongoing detailed legal review. Implementing legislation for our Agreement with Panama was tabled in Parliament in mid-November 2011, at the same time as Bill C-23.

• (1105)

[English]

Regarding the Canada–Jordan free trade agreement, in particular, we still face a measure of global economic uncertainty, Mr. Chairman. In a growing number of countries, Canadian companies are at a competitive disadvantage because their foreign competitors have preferential market access under some form of free trade agreement. The Canada–Jordan free trade agreement addresses these concerns by levelling the playing field with key competitors in the Jordanian market, namely those from the United States and the European Union.

Over the years, Canada and Jordan have built a strong, mutually beneficial relationship. Despite a small decline in our bilateral trade with Jordan in 2009 with the impact of the global economic slowdown, Canada's 2011 merchandise exports of \$70 million were more than double the \$31 million total in 2003. This free trade agreement provides an opportunity to further enhance this growing relationship.

Jordan's current average applied tariff is 10%, with peaks up to 30% on some products of Canadian export interest, such as certain forest products and articles of machinery. Upon implementation, this agreement will eliminate Jordanian tariffs on the vast majority of current Canadian exports to Jordan, with remaining tariffs phased out over three to five years. There are only a small number of exclusions in the areas of tobacco, alcohol, and some poultry products.

This agreement provides Canadian companies with benefits in a variety of sectors, including agriculture and agrifood, with products such as pulses, frozen potato products, beef, animal feeds, and various prepared foods. Forest products such as paper and wood building products, industrial and electrical machinery, construction equipment, and vehicles and parts are also included.

The Canada–Jordan free trade agreement's focus is primarily goods market access. The context is that our services interests vis-à-vis Jordan are being adequately addressed in the World Trade Organization. Canada's investment-related interests are addressed in the Canada–Jordan foreign investment promotion and protection agreement, which was signed at the same time as the free trade agreement and implemented in December 2009.

As Canada's first-ever free trade agreement with an Arab country, the Canada–Jordan free trade agreement will not only help improve market access to Jordan's growing market, but will also provide a platform for expanding commercial ties and raising Canada's profile

in the broader Middle East. This FTA will also benefit Jordan, ensuring access to Canadian products at more competitive rates and increasing access to the Canadian market for Jordanian goods.

In fact, Mr. Chair, upon the coming into force of this agreement, Canada will eliminate all tariffs on Jordanian exports to Canada, with the exception of over-quota supply-managed dairy, poultry, and eggs, which are excluded from tariff reduction.

The Canada–Jordan FTA is not about goods market access alone, however. The agreement also contains principle-based chapters on the environment and on labour cooperation, and high-quality side agreements with strong binding obligations, which were negotiated in parallel with the free trade agreement.

The Canada–Jordan FTA is a concrete demonstration of Canada's commitment to enhancing regional peace and security by helping to improve economic conditions in the region.

This agreement also shows Canada's support for Jordan as a moderate Arab state that promotes peace and security in the Middle East, as well as Canada's support for the commitment of His Majesty King Abdullah II and his government to implement comprehensive political and economic reforms in Jordan. Such reforms include measures to enhance accountability and political participation, as well as economic measures to liberalize the Jordanian market and provide support for small and medium-sized enterprises.

• (1110)

[Translation]

Regarding the next steps, Jordan has already notified Canada that it has completed all of its internal steps to allow the agreements to come into force. Should Parliament elect to pass this implementing legislation, officials will then work with their Jordanian counterparts to bring the Free Trade Agreement and the related Agreements on the Environment and Labour Cooperation into force on a neutrally agreed-to date as soon as possible.

[English]

Mr. Chair, this concludes my presentation. We would be happy to respond to questions the committee may have on the Canada–Jordan Economic Growth and Prosperity Act.

Thank you.

The Chair: Thank you very much.

We'll now move to question and answer.

Mr. Masse, you are first.

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair.

Thank you for your testimony here today.

I'll pick up where you left off. Can you outline in detail the political changes and reforms that have taken place since 2009, when we inked the deal? You just mentioned the King of Jordan. We're not dealing with a democracy here, and there have been a lot of changes in the Middle East since we actually inked this deal.

Mr. Marvin Hildebrand: If I may, Mr. Chairman, I'll defer to my colleague from the department, Barbara Martin, to address that question.

Ms. Barbara Martin (Director General, Middle East and Maghreb Bureau, Department of Foreign Affairs and International Trade): Thank you for that question. It is indeed an important one in the context of this consideration of the FTA.

King Abdullah indeed represents a monarchy. A prime minister was appointed in October. The government has been undertaking a number of reforms in order to open, in particular, the trade regime of the country, and also to try to improve the social and human rights environment within the country.

There are also constitutional reforms, which we consider to represent very significant progress in that particular country.

Mr. Brian Masse: What exactly are those constitutional reforms, and how are they enforced for the population of Jordan?

Ms. Barbara Martin: I don't have that specific information with me, but I can provide it to you later.

Mr. Brian Masse: That would be helpful. I would like explicit detail about those reforms. If there is testimony being provided that there have been reforms, I would like itemized information on that for the committee, please, at some point in time.

Could you also provide information on the labour reforms that have taken place since 2009, when we signed this agreement?

Also, what do we know about migrant workers in Jordan? Do we know where they come from and how many there are?

Mr. Marvin Hildebrand: Mr. Chairman, I'll defer to my colleague, Mr. Bouchard, from the Department of Human Resources and Skills Development, if I may.

Mr. Pierre Bouchard (Director, Bilateral and Regional Labour Affairs, Department of Human Resources and Skills Development): Thank you for your questions.

About two-thirds of the labour force in Jordan comes from migrant workers. About 70% come from Egypt, and they work mainly in the construction sector and in agriculture. They also come from South Asia, basically. You have Indonesia, Bangladesh, Sri Lanka, Pakistan. Those workers, often women, are concentrated in the textile sector. You have about 40,000 to 50,000 workers in the textile sector right now in Jordan.

•(1115)

Mr. Brian Masse: With the agreement and in the time since we signed this agreement, have their labour rights improved, and if so, how have they, specifically?

There are many details about the exploitation of migrant workers, especially women, in Jordan. If two-thirds of their workforce is from that, do they enjoy the same labour rights as other Jordanians do? What specifically has been addressed since we signed this deal to improve their rights?

I'll just leave it there for now. I would like explicit details on this, because we did sign a deal three years ago. I would like to see the measurement of Jordanian labour force improvements that have taken place, similar to the democratic reforms since that time.

The argument has been that if we do this, those things will improve. So I want to see the measurement of those things over the last number of years, since we signed the deal.

Mr. Marvin Hildebrand: Mr. Chairman, I'll just give a preliminary answer to that, and then again I will refer to Mr. Bouchard.

The agreement was signed at the end of June 2009, as you alluded to. The agreement is not yet in force. We anticipate that it may come into force fairly soon, as I mentioned in my remarks. The Jordanian side is ready to go, in terms of their domestic ratification procedures.

On the details of the labour side agreement and the other two agreements, Mr. Bouchard may want to elaborate a little bit on those.

On Canada's having recourse and having the mechanisms in force and being able to deploy the options those will present upon implementation, those are not at our disposal at this time. So in terms of what Canada has done since 2009.... Once the agreement is in force, if it does come into force, those options will then become available to us.

Perhaps you want to elaborate a bit more about what those are, and anything else in response to the question.

Is that okay, Mr. Chair?

The Chair: It's fine.

Mr. Pierre Bouchard: To elaborate on those options and what the legal obligations are, it's important to underline that our agreement with Jordan is the first agreement where Jordan makes specific commitments concerning the labour rights of migrant workers.

If you look at their labour obligations and how they could be taken to task regarding the labour rights of migrant workers, you have International Labour Organization conventions, you have their agreement with the U.S., and their agreements with us. The agreement with the U.S. in 2000 was considered a breakthrough at the time, but it does not mention anything related to migrant workers. It does not mention anything related to discrimination that could apply to migrant workers. Therefore, legally, the U.S. would not be able to do anything about this. In our agreement now, we have very strong clauses on non-discrimination and the rights of migrant workers. It could be a very effective tool.

To answer your specific question about the measures taken, Jordan has taken a number of measures in the labour area over the past few years. One issue raised in the past was the right of migrant workers to join unions. There has been a cabinet decision on this, and it's now part of the law in Jordan. Migrant workers, just as their Jordanian counterparts, can join unions.

Mr. Brian Masse: They need permission from cabinet to do that, though.

The Chair: Time has gone. We'll move on to Mr. Keddy.

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

Welcome to our witnesses.

I'm just trying to follow Mr. Masse's line of questioning here. I know he had a similar line of questioning on December 14, 2011, about some very problematic and egregious labour practices in Jordan, but it ignored.... Most of it came from an April International Labour Organization report, but it ignored the October report.

The United Steelworkers union stated in mid-May, and later updated in October, that conditions at this particular factory, IBG, Indo-British Garments, in Jordan were significantly improved. It went on to say that if these improvements continue, Jordan, without question, will have some of the best and most modern labour practices in North Africa.

I think that needs to be stated. I would just question which report and which update you were looking at. The United Steelworkers report showed a marked improvement in labour in Jordan.

I'd like a quick answer on whether we have seen significant improvement and whether we expect that to continue. Then I'll have some other questions.

• (1120)

Mr. Pierre Bouchard: There has been significant improvement, especially in the apparel sector. The government has taken leadership with the International Labour Organization's "Better Work" program, which is essentially a program that was voluntary at first but the government has since made compulsory for all manufacturers in the apparel sector.

It's a corporate social responsibility program, where you get a stamp of approval, you have inspections from the ILO, and brands, instead of having their own separate CSR programs, get a stamp of approval from a United Nations agency.

The government, because this was so successful, has made it compulsory for all plants in this sector in Jordan. Through the monitoring and the reports of the ILO, which are public, there has been a marked improvement.

Mr. Gerald Keddy: Excellent. That's good to hear.

Mr. Hildebrand, when the Americans signed their agreement with Jordan, they saw a marked improvement in trade. Ten years later, they've doubled their trade with Jordan. For many years, for a decade previous to that, they were doing somewhere around \$500 million worth of trade. Shortly before they signed their agreement, as you can see on the graphs, the trade started to ramp up. In 2002 they were

somewhere around \$1 billion. In 2010 they were about \$2.2 billion. I suspect it may even be more than that now.

Should we be able to expect the same type of improvement between Canadian manufacturing trade and Jordan? Have you projected that?

Mr. Marvin Hildebrand: We are very optimistic about Canada's competitive position in Jordan vis-à-vis the two main competitors, the European Union and the United States. Despite the fact that Jordan negotiated and signed FTAs with both those parties quite some years before they did with Canada, those agreements, particularly with the U.S., involved long phase-out periods of Jordanian tariffs, which was roughly a decade in the U.S. case.

Those reductions were only completed roughly two years ago, I think in January 2010. In the case of Canada, we have negotiated in this agreement immediate tariff elimination on the part of Jordan for 67% of their tariff lines, which represent 99% of current Canadian exports to Jordan. So the day after this agreement comes into force, 99% of Canadian exports, based on what we were exporting at the time of the negotiations, will be duty-free.

That is a significant catch-up advantage to the U.S. and the EU, relative to a scenario where we would be facing ten-year phase-outs, for example. Moreover, on the remaining 33% of tariff lines, Jordan is phasing these out in a period of either three years or five years, which is also relatively ambitious and much more ambitious than they were in their other free trade agreements.

So yes, we would suggest that in terms of doing what the government can do in terms of creating a liberalized and barrier-free commercial environment for our stakeholders, this is a very good scenario. Then once the commercial environment is in place, it's up to industry and their stakeholders to seize the opportunities.

• (1125)

Mr. Gerald Keddy: Exactly. We can only open the doors; we can't walk them through. Thank you very much for that.

To Ms. Martin, can you expand a little bit on the importance of this agreement vis-à-vis the fact that Jordan is a moderate kingdom, and they hold a very influential place in the Arab world? What is the potential for that to be a gateway to the further trade and liberalizing, quite frankly, of Arab states?

Ms. Barbara Martin: In your question you've actually captured some of the critical political benefits of this agreement. It is an entree into the region. It's one of the first free trade agreements that we have in the region, of course Israel being the other one that we currently have. But this is a free trade agreement with an Arab country, so it's an important first step, albeit our bilateral trade with Jordan is, relatively speaking, small. It's under \$100 million a year. The balance of trade is very much in our favour.

Jordan has been an important ally for Canada and for other countries in the region. It is a moderate country. It is a very poor country and is in need of a certain amount of support and engagement as it undertakes its process of reform going forward.

The Chair: Thank you very much.

Now we'll move to Mr. Valeriote.

Mr. Frank Valeriote (Guelph, Lib.): Valeriote, as in chariot.

Some hon. members: Oh, oh!

The Chair: I would say welcome to the committee—a new, improved Liberal member.

Some hon. members: Oh, oh!

The Chair: The floor is yours, sir.

Mr. Frank Valeriote: Thank you, Mr. Chair.

Thank you to all for taking the time out of your schedules to join us today. I come from the agriculture committee, and I'm replacing Mr. Easter today.

You mentioned an exemption. You said products excluded from tariff elimination commitments would include alcoholic beverages, tobacco products, and some poultry products. Could somebody expand on what those poultry products are, and why they were exempt? Could you be more specific?

Mr. Marvin Hildebrand: I'll start and ask my colleague from agriculture to finish.

As I mentioned, there's a very small number of exclusions on the Jordanian side. They requested exclusion of tobacco and alcohol on the basis of health and morality reasons. All across the board, from A to Z products, the only one that they really had a very acute sensitivity to was chicken, for some particular domestic reason, which was something we ultimately agreed to. It's a subset of chicken, and it's not, as you know, something that's of particular export interest for Canada in the context of our other agricultural export interests. So that's the way it went.

Denis, do you have any details on that?

Mr. Denis Landreville (Lead Negotiator, Regional Agreements, Trade Negotiations Division, Trade Agreements and Negotiations Directorate, Department of Agriculture and Agri-Food): Yes, it's essentially five tariff lines, primarily frozen chicken products and turkey, with two processed poultry products. So it's five tariff lines. The current tariffs on a most-favoured-nation basis are from 20% to 29%. They didn't represent export interest to us, so those are the poultry-related tariff lines that were excluded by Jordan.

Mr. Frank Valeriote: All right. Then I see in a report the elimination of a vast majority of agricultural tariffs, including those applied to pulse, frozen french fries, various prepared foods, and animal feeds. What about beef and pork? Can you elaborate on beef and pork?

Mr. Denis Landreville: Beef and pork for the most part were eliminated immediately upon implementation by Jordan. Some exceptions are for some lines where there are slightly longer tariff phase-outs of about up to five years, depending.

• (1130)

Mr. Frank Valeriote: Okay. I notice that services were not included in the negotiation. I don't want to speculate on this, but I know that one of the concerns in the CETA agreement is access to sub-national services, both at the provincial and the municipal level. I'm sure you're aware of the concern expressed by Canadians that municipalities will not be able to prefer local services and local bidders. Is there anything in this agreement of a similar nature, or is that not dealt with at all?

Mr. Marvin Hildebrand: It's not dealt with at all. It reflects, as I said, a couple of things. One is that when we did the *Gazette* notice, and solicited comments and input from stakeholders before the negotiations began, there was no request from stakeholders that services be part of this deal, which we think reflects—

Mr. Frank Valeriote: That's great. I don't have much time, so I'd like to ask another question quickly, if I could.

The concern about labour, of course, is not just with respect to human rights, which is the most important issue, but also the fact that if they're not meeting certain labour standards, wage standards, it puts them at more of a competitive advantage than Canada. So how useful, really, are the provisions in the labour cooperation agreement, which contains a full dispute settlement process and financial penalties, should a country fail to respect International Labour Organization principles, or fail to enforce them? How useful is that mechanism, and how enforceable is it, really?

Mr. Pierre Bouchard: We have streamlined the dispute settlement process to make it more transparent, robust, and efficient. Essentially how it works is that any Canadian—an organization, a citizen—can present a complaint to us. For example, in the case of a violation by Jordan, an alleged violation, we start consultations if we have to decide if it's valid—if we accept it for review. We start consultations. These consultations can lead to ministerial consultations.

Of course, the emphasis is on trying to find a solution through cooperative means. Normally if you have goodwill, as we see right now with the Jordanian government, we would expect to find a cooperative solution. However, if there's no agreement following ministerial consultation, we can then call upon an independent panel of experts. It's a little like what you would find in a dispute settlement of a trade agreement; it mimics a little bit what has been done on that side.

This panel of experts would go out, investigate, and then again propose solutions, deciding if there's a violation or not. If this is trade-related, that's an important criteria at that stage. If there is a violation, the party is then encouraged to agree to a plan of action, but if there's no agreement in the end, there would be an obligation on the part of the Jordanian government, let's say, if it's a complaint against Jordan, to deposit into a cooperation fund the funds that are at a level identified by the review panel. That money would be used to do projects to resolve the matter at hand. Until the compliance issue is resolved, the country has to keep depositing every year.

It's a strong incentive for cooperation. It's a problem-solving mechanism whereby you can use those funds to actually do something about the issue. We believe it would be very effective.

The Chair: Thank you very much.

Mr. Hiebert.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you.

It's a pleasure to meet all of you. Thank you for joining us today

In reviewing the speech you provided us this morning, I had a couple of questions that I wanted to dig down a little deeper on. At one point you mentioned that there were “principle-based chapters on the environment and labour cooperation”, and then you referenced “high-quality side agreements with strong, binding obligations, which were negotiated in parallel”. I was just wondering if you could tell us a little more about what those side agreements were and how they were negotiated.

Mr. Marvin Hildebrand: Yes. I'll start with the environment and then ask Mr. Bouchard to talk about labour.

Mr. Russ Hiebert: Just to clarify, I understand that there are environment and labour principle-based chapters—

Mr. Marvin Hildebrand: Yes.

• (1135)

Mr. Russ Hiebert: —but you referenced additional side agreements.

Mr. Marvin Hildebrand: Yes.

Mr. Russ Hiebert: So are the side agreements referring to the environment and labour, or were there other side agreements?

Mr. Marvin Hildebrand: No. There are only two: one on environment and one on labour.

Mr. Russ Hiebert: Okay. Please proceed.

Mr. Marvin Hildebrand: Okay. The chapter is relatively short on environment, but you asked about the side agreement so I'll mention the high points in terms of the contents of the environment side agreement.

It commits the parties to high levels of environmental protection, to improving their domestic environmental governance, and to enforcing their environmental laws, and it prevents them from derogating from those laws. There's a non-derogation clause. It also commits the parties to conducting environmental impact assessments and to promoting public awareness of such matters and related projects that would require environmental impact assessments.

It also provides for interested persons in either country to request investigations for alleged or potential violations of environmental laws. It provides for cooperation and for the parties to develop programs of cooperation subject to funding. There's no obligation, but subject to funding, such programs could be developed in order to strengthen cooperation.

The side agreement also establishes a committee on the environment involving the two parties, to help manage the implementation of the agreement, and it also provides for a dispute resolution process in which either party can request consultations up

to the ministerial level. Failing a resolution in that process, a formal review panel to resolve the dispute can be established.

Those are the high points regarding the contents of the environment side agreement. Perhaps Mr. Bouchard could provide you a similar summary of the labour agreement.

Mr. Pierre Bouchard: Before I do, I just want to correct an earlier answer to the committee.

When I was asked the proportion of migrant workers in the Jordanian labour force, I was really focused on the apparel industry. That's the two-thirds I mentioned.

In the overall Jordanian labour force, it's actually much lower. It's at 27%. The two-thirds is in the apparel industry that is—

The Chair: So it's 27%, rather than two-thirds.

Mr. Pierre Bouchard: It is 27% for the overall Jordanian labour force and two-thirds for the apparel industry, which normally attracts the most attention.

In regard to the agreement itself, as in the environment agreement, the labour chapter is a short, principles-based chapter that essentially indicates to the readers of the free trade agreement that they should go see the side agreement because that's where all the obligations are.

The side agreement is basically composed of three components. The first one is a high level of obligation. The second is this robust dispute settlement mechanism that we were just talking about. The third one is cooperation.

On the level of obligation, both countries commit that the content of their laws can be challenged if they don't meet the four fundamental principles of the 1998 ILO declaration on fundamental principles and rights at work. These are the rights of freedom of association and collective bargaining, abolition of child labour, elimination of forced or compulsory labour, and elimination of discrimination.

Both countries also commit to providing protection for occupational health and safety, including compensation in case of injuries and illnesses. They also commit to establishing and maintaining minimum employment standards, including with respect to wages and hours of work, and they agree to commit to having protections with regard to migrant workers. These obligations can then be enforced through the dispute settlement mechanism. However, when it goes to dispute settlement, the number of obligations—what can be taken there—is a bit more narrow. It is in regard to the content of law, regarding the fundamental rights, the enforcement of all labour laws, and it has to be trade-related.

These issues can then be taken through the dispute settlement process, leading potentially to penalties if there is non-compliance.

Mr. Russ Hiebert: Would it be fair to say that these side agreements level the playing field between Canadian companies' labour standards and environmental standards and those of their Jordanian competitors?

Mr. Pierre Bouchard: Absolutely. These agreements are about standards and about rights. We're not trying to dictate to those countries what their minimum wage should be, what level of compensation or benefits they should give to their workers. That's their decision.

What we're saying is that workers should have the freedom to associate, to form unions. You should not have child labour or forced labour. You should enforce your laws.

It's about respecting these obligations and respecting these labour rights, so that workers can freely decide and have the ability to ensure their rights are respected. That is, of course, levelling the playing field for Canadian companies.

• (1140)

Mr. Russ Hiebert: There was one other thing that caught my attention, and that was when I looked at the numbers that the U.S. experienced after it signed its free trade agreement in 2001 with Jordan, and then looked at what it accomplished less than a decade later. It moved from a total trade of around \$500 million in 2001 to \$2.2 billion, less than a decade later.

Is it your belief from analyzing the numbers and the opportunity that Canada will see a similar upside benefit from engaging in this free trade agreement?

Mr. Marvin Hildebrand: As mentioned, I think there's every prospect of that. The commercial environment has been opened up literally as wide open as it could. Perhaps my colleague from agriculture wants to comment specifically about that sector.

But in terms of the commercial environment, there are two aspects, in my view. There are the actual tariffs, which, as it was mentioned, will be virtually going to zero within five years. There's also the question of existent barriers and trade irritants. On that front, I'm not aware of any areas where our exporters are facing any problems or irritants or barriers that are keeping them out of the market.

In fact, the chapters on customs procedures and on provisions related to trade facilitation are intended to make the environment more transparent, simpler, and more user-friendly for our trading community. This, again, adds to the prospect of doing more business in a country like Jordan, as a result of this trade agreement, which notably changes the commercial environment.

Denis.

The Chair: Thank you.

Maybe Mr. Côté would want that answer from agriculture, but we'll leave that up to him. The time is gone in this segment.

Go ahead, Mr. Côté.

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Thank you very much, Mr. Chair.

I wanted to ask you questions, Mr. Landreville, about agricultural products and food products, especially processed food.

A large part of agricultural trade with Jordan concerns pulses, particularly lentils. I will confess that I have not done any research.

Is it strictly for Jordan's domestic market? Is Jordan a hub for exporting our Canadian products to other countries in the Middle East?

Mr. Denis Landreville: Jordan could be a hub for the region. That is another reason why this agreement would be beneficial. Indeed, as you say, we could sell pulses, which are one of the main exports to Jordan.

Mr. Raymond Côté: However, Jordan has good trade relationships with its neighbours. We will not get into that.

In terms of processed products, frozen fries were mentioned, among other things. Is there good potential in the Hashemite Kingdom of Jordan? Is it still very marginal?

Mr. Denis Landreville: In recent years, frozen potato exports have declined a bit. I cannot explain why.

However, it is worth noting that with this agreement, we would obtain parity with other exporters through the elimination of tariffs on frozen potatoes. As we have seen in other markets, when tariffs are eliminated on these products, there is a rise in exports to those markets. We can therefore expect a change in the trend.

Mr. Raymond Côté: Fine.

Quickly, we talked about poultry, beef and pork. Clearly, I can understand with regard to pork. Are there other products? For example, lamb must be low, if not non-existent, in terms of trade with Jordan.

• (1145)

Mr. Denis Landreville: I don't want to take too much of the committee's time. I don't have statistics for those products handy.

Mr. Raymond Côté: That is fine.

It is no secret that one of the New Democratic Party's concerns about what is happening within Canada is that there will be massive cutbacks, including cutbacks for food inspection. Food safety is a concern for me, as a member of Parliament. I am concerned for the health of my fellow citizens.

Of course, Canada has already gone through pretty difficult events that have damaged its reputation. I was thinking of the beef export crisis. We were excluded from big markets for a long time.

It is a matter of interpretation because we cannot predict the future. However, could my concerns about food safety and Canada's reputation in Jordan in particular, but also in the Middle East in general, if ever Jordan becomes a hub, be well founded? We have to consider that these are new markets that could be very promising for our products.

After all, before exporting, we monitor things here. The Hashemite Kingdom of Jordan may not be very demanding, but the people could be very sensitive if there are problems with the quality or safety of Canadian products.

Mr. Denis Landreville: At the moment, according to the information I have, there is no impediment to our meat exports to Jordan. It is an open market. Based on current trade, I would say that, for now, there is no impediment to our beef exports or other meat exports to Jordan.

Mr. Raymond Côté: Very well.

That is all, thank you.

[English]

The Chair: Thank you very much.

Mr. Shory, you have five minutes.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for coming to our meeting.

I was going through the presentation, and one of the comments you made was that Jordan has already notified us that they are ready to enforce it, basically. It seems that our Parliament has to pass it for implementation. We will basically enforce it. It will be beneficial from the Canadian perspective, as well.

I want to touch on the comment you made that it will be beneficial for SMEs, as well. I want you to elaborate on how it will be beneficial to SMEs when we open that market.

Mr. Marvin Hildebrand: I would come back to the chapters on rules of origin, customs procedures, and trade facilitation in the agreement. What we're doing is modernizing the commercial relationship with this agreement and creating an environment that is as user-friendly, barrier-free, and transparent as possible. All those things benefit stakeholders across the board, but there are instances in which there are very complicated markets and all kinds of barriers. Larger companies tend to be able to surmount these hurdles through economies of scale more easily than SMEs.

This is relevant for SMEs because of the transparency and the streamlined nature of things, including the process of origin certification. For a product to benefit from the preferential tariff under a free trade agreement, it has to originate in the territory of the parties. The process for certification is very simple in our system. The government's not involved and it's the exporter who makes that determination, does the certification, and keeps the records, which can be made available if they're needed. For all of those reasons, it's a good-news story for SMEs as well as other stakeholders.

• (1150)

Mr. Devinder Shory: You made a comment about how exports from Canada had doubled since 2003. You mentioned \$70 million. I can tell you that the NDP started this legislation in the period before the election by saying that it would have minimal economic gains and would not be worth it. If you wish, I can read the statement, but I won't go there.

I just want you to make a comment. How much will this FTA, once it is implemented, boost the economy? In reference to our free trade agreements with different countries, I want you to reiterate once again that it is very important to open new markets to provide new opportunities to Canadian businesses.

Mr. Marvin Hildebrand: I have couple of points.

First, when projections are made, from whatever source, about future trade flows and increases stemming from free trade agreements, the benefits often go beyond what's measurable in tariff reductions. The increased awareness and the overall buzz in the trading community, together with the increased information about

the market and other intangibles, are contributing factors that often end up creating a result larger than might have been anticipated.

Second, with this particular agreement, the investment in negotiations was relatively small. The agreement was negotiated over three rounds, over a period of about six months, from February or March of 2008 until August 2008. It was about as quick a negotiation as could have been anticipated. So the investment was modest, and the benefits appear to be quite promising.

The Chair: Thank you. Your time's gone.

Mr. Ravignat.

Mr. Mathieu Ravignat (Pontiac, NDP): Thank you.

My thanks to the witnesses for taking the time to be here. It's much appreciated.

In over 15 years of experience with the NAFTA labour side deal, there has never been a single case where either party sent a complaint to a review panel on labour. What do you think will make this side deal any different?

Mr. Pierre Bouchard: Thank you very much for this question. It's actually a very good question.

It's pretty simple. The NAFTA side agreement was considered a breakthrough at the time. It was a first-generation agreement. We're now in the third generation, if you wish. It's a very simple fact. About 70% of all complaints under the NAFTA side agreement were about freedom of association, collective bargaining, and fundamental rights. According to the agreement, those complaints cannot go beyond ministerial consultations, even if we wanted to.

Under these agreements here, not only can the enforcement of labour laws in regard to these fundamental rights go to dispute settlement, but we can also challenge the very content of the law in regard to those fundamental rights.

We are talking about scales of magnitude between what we had in this agreement and the NAALC that was negotiated 18 years ago. This agreement, which is a modern agreement, is streamlined and is much more efficient.

Mr. Mathieu Ravignat: Okay. There can be a ministerial consultation in this process, and then there's a review panel for determination of non-compliance. In the eventuality that there is one, who would be sitting at that review panel on the Jordanian side?

Mr. Pierre Bouchard: As a counterpart to our Minister of Labour, it would be the Jordanian Minister of Labour.

Mr. Mathieu Ravignat: Would there be any trade unions?

Mr. Pierre Bouchard: It's their choice if they want to include them. Officially, under the agreement, the ministerial council is made up of the two ministers of labour. If the other side wants to invite their trade minister to attend, as well, as an observer, that's a possibility.

• (1155)

Mr. Mathieu Ravignat: There's no guarantee of an independent labour voice on the Jordanian side on this review panel.

Mr. Pierre Bouchard: I'm sorry, we were talking about the ministerial consultation. If we go to a review panel, it is an independent panel. These would be experts. There would be one expert from Canada, one expert from Jordan, and one expert from the third countries, and these are completely independent experts.

Mr. Mathieu Ravignat: To even have the right to strike in Jordan you have to get government approval. What guarantees that the people who are going to sit on this review panel for the Jordanian side are independent?

Mr. Pierre Bouchard: The specific people who can be on a panel can be challenged. They are proposed. There are very detailed procedures in the agreement that say that a country will propose a candidate that can be challenged by another candidate, and so forth.

Mr. Mathieu Ravignat: Thank you. I don't have that much time left, so thanks for that.

When we look at this idea of labour rights violations, they can only be considered in the process if it can be proven that they have been expressly designed to encourage trade or investment. That's my understanding.

In your opinion, does this not create an unusual burden of proof and undermine Canada's commitment to upholding human-rights labour issues in the first place?

Mr. Pierre Bouchard: The clause you're referring to is article 2, the non-derogation clause. That's an additional clause that ensures that a country cannot lower its labour standards to attract trade and investment. We don't have to make that proof for something to go to the review panel.

The proof at the review panel is twofold: there has to be a sustained course of action, meaning that this is not a single case; and it has to be trade-related. There is that proof. So things related to government unions, for example, could not go to review panels. These are the only criteria.

Mr. Mathieu Ravignat: As a follow-up, I want to focus on the textile industry. We know that the conditions for workers in the textile industry in Jordan and in Canada are radically different, right? How can we assure our textile industry here in Canada that they can even be competitive in this market?

Mr. Pierre Bouchard: This agreement is not about ensuring competitiveness. It's the job of the private sector to do that. The agreement is about ensuring a level playing field and ensuring that our companies here will have to be competitive. But at the same time, we are saying on the other side that fundamental labour rights will be respected.

If the workers on the other side want to unionize, they will have a right to do that. If they want to defend their rights, if they want to have higher wages and strike, they are able to do that. We guarantee that right.

Now, what is the ultimate result if those workers want to do that? That's up to them. That's up to the other side.

[Translation]

Mr. Mathieu Ravignat: Thank you.

[English]

The Chair: Mr. Hildebrand.

Mr. Marvin Hildebrand: On the question about the competitiveness of our apparel industry vis-à-vis Jordan's, the other consideration is that Canada's apparel industry typically doesn't make the same kinds of things as the Jordanian apparel industry. They're making very low-cost, mass-produced T-shirts and other simple garments, whereas the Canadian industry, even though it has declined in size over the years, is focused on niche markets—high-end designer, more upscale products.

I think there are two different markets that the industries are generally targeting.

The Chair: We want to thank you very much for coming in. This gives us a very good snapshot of what we're looking at in this agreement, and it answers a lot of the basic questions. Thanks very much to the team from the departments for spending your time here this morning.

We will suspend while we set up for the next hour of panel witnesses.

- _____ (Pause) _____
- _____
- (1205)

The Chair: We will reconvene the meeting.

We want to thank the witnesses for coming forward.

We have with us, from the Canadian Agri-Food Trade Alliance, Richard Phillips and Kathleen Sullivan. We'll start with you and then introduce the rest of the panel as we yield them the floor.

The floor is yours. Proceed.

Ms. Kathleen Sullivan (Executive Director, Canadian Agri-Food Trade Alliance): Thank you.

Good afternoon. My name is Kathleen Sullivan and I'm the executive director of the Canadian Agri-Food Trade Alliance. I am joined today by my president, Richard Phillips, who is also the executive director of the Grain Growers of Canada. We would like to thank you for the opportunity to speak to you today about the Canada-Jordan Economic Growth and Prosperity Act.

Canada's agrifoods sector depends on trade. Canada is the fourth-largest agrifood exporter in the world. We export \$40 billion per year in agriculture and food products. That is quite literally 50% of everything we grow in this country. If we didn't have access to foreign markets, the size and structure of our domestic production and processing sectors would be radically impacted.

Agriculture and food exports are critical to national, provincial, and rural economies across the country. They account for almost 10% of Canada's total merchandise trade. Across Canada, over 200,000 farms are dependent on export markets. Trade must be a priority for Canada. As we look to the future success of Canada's agriculture sector, we have three major trade priorities. The first is to continue seeking opportunities to conclude a multilateral trade deal that further liberalizes agrifood trade. The second is to aggressively and actively pursue meaningful bilateral and regional trade deals. The third is to address market access issues.

I just want to briefly mention multilateral trade deals. We certainly recognize that the WTO is at an impasse. The reality is that when we look at trade distortions and agriculture around the world, the only way to truly address them is through a multilateral trade deal. We do encourage the Canadian government to continue working with other WTO countries to try to reach some sort of solution to the impasse and breathe new life into the talks.

When it comes to bilateral and regional trade deals, it is critical that Canada act aggressively and uncompromisingly to pursue our export interests around the globe. The Canadian government has in fact put in place the most ambitious trade agenda that this country and its farmers have seen in a generation. We are now looking at the possibility of trade deals with lucrative markets that include the EU, India, South Korea, Japan, and the trans-Pacific partnership countries. These deals combined would increase agricultural exports significantly. In many cases, if we aren't involved in those trade deals it will have a detrimental effect on Canada's farming and food processing communities.

When it comes to Jordan, the truth is that Canada-Jordan trade in agriculture is relatively small. Last year Jordan ranked as our 73rd export market, with just \$16 million in shipments. Having said that, like many of our smaller trading partners, Jordan is in fact a very important market for specific agriculture products—in this case, pulses. In 2001, 70% of all of the agriculture exports to Jordan were pulses, in particular chickpeas and lentils. It is a growing market. Our agriculture exports to that country grew by 40% between 2010 and 2011.

We strongly support trade in the agriculture community in Canada. It's critical to what we do. We welcome the government's strong approach to trade, in particular the commitment that both Minister Ritz and Minister Fast have made to finding new trade opportunities for our sector. We look forward to trade becoming a key component of the future of agriculture.

Thank you very much.

• (1210)

The Chair: Thank you very much. We will be getting into the question-and-answer period, but we will have the panels all present first.

We have Andrew Casey, from the Forest Products Association of Canada. Thank you for coming. The floor is yours.

[*Translation*]

Mr. Andrew Casey (Vice-President, Public Affairs and International Trade, Forest Products Association of Canada): Thank you, Mr. Chair.

It is a real pleasure to be here today to testify on Bill C-23.

[*English*]

Thank you very much, on behalf of the Forest Products Association of Canada. We're the national trade association that represents Canada's lumber, pulp, and paper producers across the country. It's an industry that directly employs more than 240,000 Canadians and it's the economic lifeblood of more than 200 communities from coast to coast.

All parliamentarians are very familiar with the economic challenges this industry has faced over the past couple of years: the rapid rise in the Canadian dollar, the U.S. housing market and their economy more broadly, the troubles in Europe, and the changing demographic in terms of readership and the use of paper as everybody moves to electronic devices. All have presented what we've commonly called the perfect storm. Some might argue, in fact, that it's a changed climate for the industry.

The upshot of this—and parliamentarians, of course, are no stranger to this—is that we've been forced to close nearly 200 mills across the country and have lost nearly 100,000 jobs across the country. That has had a devastating impact on regions and certainly on a significant number of communities across the country. As I said, parliamentarians are very well aware of this, as many of you have had a number of communities in your ridings strongly impacted by what is happened in the industry.

I'm not here to say that the industry has rounded the corner and that everything looks bright and rosy, but I can say that the industry has not stood idly by as it has been challenged. It has been reinventing itself, transforming itself, moving aggressively into the bio-economy through bio-products, bio-chemicals, and bio-energy.

That represents a significant part of where this industry is going. But we can't lose sight of the fact that we still need our core products to be strong; that is, the lumber, pulp, and paper products. They need to continue to be a major part of our economic model going forward. Without them, the move to the bio-economy will not happen.

An important part of ensuring that we have a strong core for our industry is our trade markets. Our industry produces about \$56 billion worth of product each year. Nearly half of it is exported. Obviously a lion's share of it goes to the U.S. marketplace, but another large chunk of it goes to other markets around the world, Europe and Asia being the primary other markets. In fact, we're the single largest exporter to both India and China.

This leads to the question why we would be here in support of Bill C-23 for Jordan. Jordan represents a market of about \$20 million for our products. When you look at that in the grand scheme of things, in an industry that exports more than \$24 billion worth of products, \$20 million doesn't really represent a large market share.

The fact is that the Jordanian market is growing. It represents a market of nearly \$400 million per year in forest products; that's what they're importing. They're getting a lot of their lumber and paper products from other countries with whom we compete. We'd like to have a bigger part of that market share. Having a deal such as this allows us to secure that marketplace and drop some tariffs on certain products. Certainly on the lumber side and on the paper side it drops some significant tariffs.

If I might use this as an example, what we found in previous deals, when we looked at the big deals such as those with India and China, is that we became excited about them, and for good reason. Those are large marketplaces that represent large potential for the industry. When you look at smaller markets, what we have found in cases such as the Jordanian deal is that it represents a very important marketplace for one mill. It's similar to what Kathleen just outlined for her membership. When we dive into these marketplaces, we find that one mill or one particular region is where that product is coming from, and so it represents a very important opportunity.

I'll give you an example. We have a product that comes out of a joint venture between Canfor Pulp, out of Prince George, British Columbia, and Tolko, out of The Pas, Manitoba. They sell cement bags to Egypt. It's a similar deal. They're competing against European producers of that product. The European producers are benefiting from a low tariff rate—in fact, 7% less than what the Canadian producers are benefiting from. This represents \$35 million to the joint venture, Premium 1 Papers, in Canada and represents about 500 jobs in Canada. They are losing market share to the Europeans because we don't have competitive access to that marketplace.

In a similar vein, we're looking at marketplaces such as Jordan as a way of ensuring that we can grow and diversify our marketplaces to lessen our dependence on the U.S. marketplace and provide long-term jobs for certain parts of the country.

I'll leave it at that and I'll be happy to take questions once we've gotten through the panel.

Thank you, Mr. Chair.

• (1215)

The Chair: Thank you very much.

Now we have Bob Kirke, executive director of the Canadian Apparel Federation.

Thank you for coming in. The floor is yours, sir.

Mr. Bob Kirke (Executive Director, Canadian Apparel Federation): Thank you, Mr. Chair and members. I would like to thank you for this opportunity to appear before the committee on Bill C-23.

My name is Bob Kirke. I am the executive director of the Canadian Apparel Federation. Our association is made up of hundreds of firms in the apparel industry across Canada, representing every sector and product in the industry.

I would like to provide the committee with some background on the industry concerning trade and other policies that impact our operations and to answer any questions you might have.

I would like to focus my remarks on issues that were raised in the debates in the House both in December and earlier this month. I have summarized them under three headings: one is the potential risks to Canadian employment posed by this deal; the second is the labour situation in Jordan, as was reflected in conversations earlier; and third, what I guess might be called the wisdom of signing an FTA with Jordan.

The retail market for apparel in Canada is about \$29 billion. Of this amount, about 75% is now imported, in most cases from developing countries. If we look back, 2001 was a high-water mark for Canadian apparel production and employment in recent times. At that time, the Canadian dollar was at 62 cents to the U.S. dollar and the industry had approximately 100,000 employees. After 2001, employment began to decline as the dollar appreciated. This was accelerated with unilateral Canadian tariff concessions to least developed countries or LDCs in 2003 and the ending of import quotas in 2005.

It's not just the source of apparel destined for the market that changed, but the prices in the market declined on a continual basis over the last decade. With 2002 as the base year, the consumer price index shows that prices for clothing have declined by 10% over the last decade, even as other commodities have increased in price between 10% and 40%. Clothing is the only category in which prices have declined over the period. The actual price for clothing in the market has gone down.

I'm just going to go briefly to the impact on domestic employment. I understand that many members would be concerned about granting tariff-free access to the Canadian market to low-cost producers from developing countries such as Jordan. At the same time it's important to understand that the Canadian government has granted tariff-free access to our market to many developing countries—the LDCs that I just spoke of. These undertakings have led to the restructuring of the domestic manufacturing industry. Manufacturing employment is a fraction of what it was a decade ago, both in apparel and in textiles. In many respects these changes are impossible to reverse.

Tariff-free access to the Canadian market granted to least-developed countries in 2003 led to a massive increase in duty-free apparel entering Canada from countries such as Bangladesh, Lesotho, and Madagascar. As an example, last year Bangladesh exported more than \$950 million in apparel to Canada, fifty times as much as Jordan does.

Establishing a free trade agreement in Jordan will have virtually no impact on this situation. It will divert production from other developed countries, but it will have no measurable impact on domestic employment in the apparel industry—or the textile industry, for that matter.

In granting the concessions to LDCs, Canada receives no reciprocal benefits. These countries offered no preferential access to their markets for Canadian goods. By contrast, an FTA wherein we can generate export opportunities for some industries—I think of the industries sitting here beside me—seems far preferable as a trade policy.

I would add that some Canadian firms that are or would be producing in Jordan would welcome the agreement, because it would allow them to source duty-free for both the U.S. and Canadian markets from the same source. Jordan has an established trading relationship with the U.S., as was mentioned in the earlier meeting, both under its qualifying industrial zones program, which preceded the U.S.-Jordan FTA, and the FTA.

In terms of labour conditions, during the debates on the floor and just previously in this meeting a number of concerns were raised about the labour standards in Jordanian factories. I encourage the committee to speak directly to firms with operations in the country. Yesterday I referred to the clerk the name of one company that would love to testify. They have been mentioned on the floor of the House in regard to the labour conditions at their factory, a factory that has subsequently been recertified and is working with the ILO.

This is a good example of exactly what happens in the country. I'm confident that these companies whose operations were the subject of comments from members of Parliament would be more than happy to address this committee, if asked.

• (1220)

I was glad to see that there were comments directly about the ILO program in Jordan, the "better work" program. My comments in regard to the labour situation reflect the comments in that report. In general terms—and I just want to repeat—on all measures that it measures, labour standards and the conditions on the ground in Jordan are improving.

Work is being done in Jordan to improve and reinforce labour practices. These efforts are far more substantial than one finds in virtually any other developing country, many of which have been granted duty-free access to the Canadian market.

To repeat, we have given duty-free access to our market to over 40 least-developed countries, many of which have apparel industries that are fundamentally the same as what we find in Jordan. The only difference is that, with one exception, none of these countries have established an internationally supported program to improve labour standards under a credible institution such as the ILO, as is found in Jordan.

I urge you to consider the real progress being made to improve compliance and create an infrastructure in Jordan to provide for continued improvement.

My final comments relate to what has been referred to as the wisdom, if you will, of entering into a free trade agreement with Jordan. As my comments will attest, a free trade agreement with Jordan will not have a major impact on the apparel industry in Canada. In addition, the labour conditions in Jordan are better, and they are subject to greater scrutiny than many of the other countries that currently enjoy duty-free access to our market.

I believe there are positives in the Jordan FTA. While the argument might be made that we need to negotiate free trade agreements with more significant partners, I don't think that precludes signing this agreement with Jordan.

If members of this committee wish to understand our industry's priorities, I would echo the comments made earlier. Our position

would be that this committee should urge the government to move forward on our free trade agreements, especially with the European Union.

In reality, we are not cost-competitive on high-volume moderately priced goods, with very few exceptions. At the same time, numerous firms in Canada, such as Canada Goose, have demonstrated that there are opportunities for domestic manufacturers if they focus on high quality and move up the value chain to higher-end products. Free trade with Europe offers real export potential for these types of firms.

Setting aside anything else, I believe it's important to say we have negotiated an agreement with another sovereign country and it has already taken nearly three years to get this bill to this stage. I think longer delays actually harm our reputation.

With that, I'd like to thank you for this opportunity to address you, and I'd be happy to answer any questions.

The Chair: Thank you very much.

We'll close off the testimony with the Canada-Arab Business Council. We have Ms. Kubba, business development manager. The floor is yours.

Ms. Zaineb Kubba (Business Development Manager, Canada-Arab Business Council): Thank you for this opportunity.

I am the business development manager for the Canada-Arab Business Council. My name is Zaineb Kubba.

Please allow me a few minutes just to introduce the council. The CABBC is the only Canadian non-profit association focusing exclusively on the trade and economic relations between Canada and the Middle East and North Africa region. It brings together representatives from the Canadian private sector, federal and provincial agencies, and health care institutions with interests in the Middle East and North Africa region, which we call the MENA region.

Our chairman, Hugh O'Donnell, attended the government's announcement introducing the free trade agreement with Jordan in the House of Commons. He stated that the economic possibilities for Canadian businesses engaged with Jordan should be dramatically increased. He also noted that this free trade agreement offers incredible potential for businesses to expand throughout the region, with Jordan being the gateway.

We consider this initiative to be an excellent one for Canadian firms that are considering expanding their business interests into Jordan in a variety of sectors, such as health care, education, infrastructure, information, communication and technology, and forestry products. They will also be able to obtain greater access to a competent Jordanian workforce, thereby opening up opportunities for lucrative potential partnerships in the region.

We actually have three major companies in Jordan: Bombardier, SNC-Lavalin, and PotashCorp from Saskatchewan, which I think owns 27% of the national potash under the privatization law. Two other Canadian companies are also short-listed for the peaceful nuclear program. Recently in Jordan, uranium has been found in abundance.

Another thing about Jordan is the stability. It is considered a stable country and the region has very good relationships with all the neighbouring countries. It is also considered a gateway to Iraq.

There is the Canadian Ambassador for Jordan and Iraq, who works out of Jordan. There are high literacy rates and access to health care for Jordanians. There are also megaprojects in Jordan. There is the Red-Dead Canal, which is to connect the Red Sea and the Dead Sea. There is also a railway project to connect the gulf region to Europe. There should be at least 500 kilometres of railway.

There are competitors in Jordan. We have a free trade agreement with the U.S., which was signed 19 years ago. Jordan also has advanced status with the European Union. It is second only to Morocco. It's true that the size of export-import is really small, but there is lots of perspective and potential.

Jordan is also a member of 17 international agreements on human rights and is making a lot of progress in human rights, labour, child labour, and women's rights. Other competitors are the U.S. and Australia, Indonesia, and China. Australia has recently been using the Aqaba Port as a hub and gateway to the region.

So we are definitely for the idea of the free trade agreement with Jordan.

Thank you.

• (1225)

The Chair: Thank you very much.

We'll move now to questions and answers.

Mr. Masse, the floor is yours.

Mr. Brian Masse: Thank you, Mr. Chair.

Thank you to our witnesses for being here.

I'm just finishing looking at your testimony. This is one of the things we're concerned about. Obviously we want to open the markets here, but we're always concerned about the rights of individuals when we're doing business with a non-democratic government.

I have a report from 2011 here. I'm going to read from it and get a response. It is International Women's Week, and I think it's important that when Canada looks to markets, if we have overlooked other markets that use child labour or that have environmental, health, or human rights violations and we have provided them access to trade, that doesn't make it right for us to do it for others in the future. I think it's important to make that statement. This is just some evidence we have here:

In April it was reported that around 200 migrant workers from Sri Lanka, Bangladesh and India, 75% of whom are women, were found to have been trafficked to the International British Garments factory—owned by the security company G4S—stripped of their passports and held under conditions of indentured servitude. Allegations of sexual harassment and rape of a young Sri

Lankan woman were found credible, and workers reported that at least two of their colleagues were overworked to death.

I would like to know just in general how we can guarantee specifically through this agreement that human rights issues like this are actually going to be addressed and that we're going to have enforcement provisions necessary to ensure that Canadians aren't getting access to another market that's going to use exploitation of women as part of its system. Should we be benchmarking and demanding benchmarks from Jordan about this exploitation to ensure that it's going to be eradicated at a particular date in time?

The Chair: Who are you directing that to?

Mr. Brian Masse: Anyone at all. Mr. Kirke reported on that. There's Ms. Kubba.

Mr. Bob Kirke: I'm happy to address it. I can't speak to the individual circumstance you're talking about, because I don't know the details.

I was speaking about an hour ago to a company. It was identified that some production destined for that company had been manufactured in our plant and there were problems. They didn't hesitate to figure out what the problems were, identify them, and make their own judgments. Then they went about bringing their supplier in and telling him what they were going to do. They were going to go over to Jordan, get this registered, and get it all sorted out. They would do their own audits, separate from the ILO, and then they were going to get on the golden list that the Jordanian ministry maintains. You can't compare that with the process in any other developing country.

• (1230)

Mr. Brian Masse: What can guarantee us?

Mr. Bob Kirke: I don't know what can guarantee you. The guarantees you can have are that you can respond to those situations when they occur, and that there are structures in place to do so. That's a good compliance program, front-ended. I don't think anyone wants to go to factories where there are problems. But you have to be able to respond. There are exactly two countries in the world that have "better work" program. One is Cambodia. I don't think it's nearly as active as Jordan, but we could see. Jordan is active and you're getting the buy-in of the companies.

Your question was how within this agreement can we guarantee this. I don't know. I'm not a trade lawyer. I work in an industry and I have confidence that the industry, when presented with those kinds of circumstances, can respond, provided that there are impartial structures in place, as there are in Jordan.

Mr. Brian Masse: I guess the difficulty is that it seems that they have to be presented in public before action takes place. This is the veil that needs to be lifted from the problem.

What specific company were you talking about? It would be interesting to hear from them.

Mr. Bob Kirke: IBG and Nygard International are doing work there. They've been invited by the clerk to appear and I believe they will, but that's not the company I was referring to previously. I'm not at liberty to mention its name.

Mr. Brian Masse: So you can testify about them and their actions, but you can't say who they are.

Mr. Bob Kirke: Yes.

Mr. Brian Masse: Well, that seems rather—

Mr. Bob Kirke: But it doesn't mean that the clerk can't—

Mr. Brian Masse: It's important if the veracity of the testimony is what we want. We would like to hear those examples. I've encouraged them, and I hope they will go public. If you're saying that is what has taken place, that's a positive example to use for other companies that might be having some of these difficulties.

Mr. Bob Kirke: I think the record of the “better work” program demonstrates that this is exactly what is happening. This is contrary to the circumstances that you find in the 47 LDCs—

Mr. Brian Masse: But that doesn't make it right.

Mr. Bob Kirke: —Canada gave duty-free access to.

Mr. Brian Masse: Just because we allow those abuses and buy those products, that doesn't make it right for me and the people I represent. It doesn't make it right. That should be changed.

Mr. Bob Kirke: What I'm saying is that there are circumstances in place in Jordan superior to those in virtually any other developed country that allow you to attain the kinds of outcomes you're asking about. That's all. I'm not saying that anyone's excusing any kind of abuse in any circumstance.

The Chair: Mr. Casey.

Mr. Andrew Casey: I'm going to take an environmental approach to this. I can't speak to the human rights side of things, but I can speak from our experience in the environment.

Forest products, for a long time, were not exactly produced in the most sustainable fashion. Then along came something called certification. Canada has adopted certification for its forestry practices. In fact, Canada is the leader in forestry certification. That has floated the boat up around the world. You used to be able to get products from parts of the world where their practices were not the best, not sustainable, not the most environmentally preferable, until there was a premium in the marketplace for products that were certified. This is a business response. You're asking for more of a social response, but I can't give you that response. I can give the business response, which is that certification has lifted the standards around the world for forest products and for how we get our forest products. I think this can serve as an example. Market discipline will have an impact over time.

The Chair: Thank you very much.

Mr. Cannan.

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

To our witnesses, thank you for being here today.

Ms. Sullivan, Ms. Kubba, and all the women around the table, happy International Women's Day.

In my case, I have three daughters in their twenties, and every day is International Women's Day in our home.

Voices: Oh, oh!

Mr. Ron Cannan: I have no say. I have two grandsons now, so we're trying to get some balance.

Speaking of balance, I really want to thank you for coming and providing some input to the committee. Some of you are honorary committee members, who have.... This is the third time, and I've been on the committee for over six years. Hopefully we'll get this passed by the summer and into effect, because we know that the United States has had this unfair trade advantage for over a decade.

To Mr. Casey, you mentioned Tolko. I represent Kelowna—Lake Country in the Okanagan in British Columbia, and Tolko is one of the mills in my riding.

Could you just clarify the impact that the trade agreement the U.S. has in place has had compared to Canadian industry?

• (1235)

Mr. Andrew Casey: Absolutely.

We know from looking at this particular deal that about \$20 million in product goes to Jordan from Canada. It's a marketplace of nearly \$400 million. The bulk of it is in the form of paper, which comes from Quebec, and lumber, which comes from British Columbia. Both of those product lines are subject to duties of anywhere from zero to 30%, depending on the type of product line it is. That of course makes us uncompetitive compared with all of those other manufacturers selling those same products into the marketplace.

When you look at Jordan, we're up against primarily the Russians on the lumber side. I would suspect that some of the paper comes from places like Indonesia and Asia. Getting into that marketplace, a significant advantage....

Certainly if things are coming in from the EU, they have zero percent, but if we can get rid of the duties that are there, the tariffs that are there, that makes us far more competitive on those product lines.

Mr. Ron Cannan: So you're seeing some good benefits for Quebec, then, with this agreement?

Mr. Andrew Casey: Definitely, for all regions; you have to remember that this is a global market, so when you open up market share in one part of the world, even though it may benefit directly one region of our country, that tends to move product away from where that could have gone elsewhere.

If you look at more product leaving British Columbia and going to Jordan because this makes it more competitive, that product is limited in its supply, so it would be product that would come probably out of the U.S. marketplace, which then opens up the marketplace again for another producer in another part of the country.

Mr. Ron Cannan: Fabulous.

Moving over to the agricultural sector, I agree, Ms. Sullivan, that multilateral agreements are something that we all favour and that make it much easier for our Minister Ritz and Minister Fast and our government to expand on our robust trade agreements that we're implementing across the world, as we are. One in five jobs are trade-related.

Can you maybe expand a little bit on the Canadian International Grains Institute and the potential for cooperation with Jordan's agricultural sector?

Mr. Phillips might be able to enlighten us on that.

Mr. Richard Phillips (Executive Director, Grain Growers of Canada; President, Canadian Agri-Food Trade Alliance): Sure.

The Canadian International Grains Institute, as you know, does a lot of primary research. It brings in Jordanian flour millers, let's say, and shows them how to work with the Canadian wheats that we export into that area.

They've actually expanded their program recently to work on pulses, and how to process chickpeas, lentils, and peas. This is an important market for us, and I think CIGI can actually play a role here in working with the Jordanians. Currently it is our second most important market for chickpea exports from Canada, and has been for the last several years. It also imports a significant number of lentils—maybe not significant out of the global picture, but we do ship 2,700 tonnes there a year, on average.

So the more we can actually work with them and show them how to use our products better, the more we will then sell into their market. There is good potential for us there.

Mr. Ron Cannan: Speaking of potential, some on the trade committee here travelled three or four years ago to the gulf cooperation states. Right now there are about six million people in Jordan, but overall, in terms of trading, the cooperation counts for about 40 million.

Do you see this agreement as a possible jumping-off point to an expanded market and a potential for the agriculture industry?

Mr. Richard Phillips: Yes. A lot of trade—and perhaps Ms. Kubba would like to add to this—in some parts of the world, such as the Middle East, comes from relationships. The longer you trade, the better the relationships. A lot of trade happens then through extended families, once you establish the initial trading relationships. We've seen that for many of our pulse exports into the Middle East.

So I think getting your foot in the door in Jordan starts to build those relationships, and then, through extended family, you see trade start to go through other countries.

Ms. Zaineb Kubba: Morocco as well.

Mr. Richard Phillips: Yes, Morocco as well; it's similar.

Mr. Ron Cannan: So that's the mutually benefiting trade relationship as we foster our relationship with Jordan and build on that.

Thanks.

Moving on to Mr. Kirke and the apparel industry, I want to reconfirm, maybe to the disappointment of some folks in the room,

that there are caring and compassionate Conservatives who care about the labour force, not only in Canada but around the world. Some think they might have the franchise on that perspective. But I'm really concerned about some of the stories we've heard. We travelled to Colombia, for example, and worked with some of the UN schools on training and helping.

The philosophy I live by is that the better off we are, the better off everybody else can be. So the better off everybody else is, the better off everybody is. You know, a rising tide lifts all boats.

I would like to ask you specifically, Mr. Kirke, about the Nygard company. Are you familiar with it? There's an article that says it's linked to human trafficking, abuse, and Jordanian sweatshops. Do you have any knowledge of Nygard's involvement in this?

• (1240)

Mr. Bob Kirke: It's very difficult sometimes when you're chasing some of those stories, because the company has a very different perspective from what's reported in the press. It's maybe regrettable that they're always following the story. Nonetheless, when something comes out and is put on the Internet, you have to chase the story.

From what I've seen in statements from the company—again, this is something you can verify with them—they haven't reached the same conclusions that those stories portray. That doesn't mean to say they hide their heads in the sand. They could give better testimony, but the facility we're talking about is a joint venture with IBG, as far as I understand. When it was established in Winnipeg they essentially took a facility from Winnipeg and moved it there. It's a state-of-the-art facility. This is not a run-of-the-mill factory. Nygard International was previously the largest manufacturer of women's wear in Canada, and they brought a lot of expertise to Jordan.

So I am aware of those stories. The take of the company on them and the testimony I believe they would provide to this committee would reach quite different conclusions. But they are involving that factory in Better Work Jordan. They have subsequently been given accreditation through the ministry of labour, as have others.

I think you have to appreciate that there are certain things that are facts of life in Jordan that are a little unusual to people, like migrant labour. These things have the potential to give rise to abuses. But migrant labour is a fact of life in the world. There are internal migrants in China, and they are the Chinese labour force. There are migrant labourers in other areas. They are not to be treated in a cavalier way, but they are a fact of life.

Some of the circumstances regarding these facilities give people pause. I come back to my statement—and I think you mentioned bringing people up—that you deal with what's going on in Jordan by reinforcing what the ILO is doing. You are building infrastructure to maintain a viable marketplace and a viable industry, and it's a massive industry to Jordan.

Mr. Ron Cannan: Thank you very much for that.

The Chair: Thank you very much.

Mr. Valeriote.

Mr. Frank Valeriote: Thank you all for coming. We've talked before on the agriculture committee, a number of us.

I have three areas I wish to cover. One is food safety.

Kathleen, when we were talking about access to markets at the agriculture committee several weeks ago, we said that food safety was very important in the industry. We learned that while we inspect 100% of our food products that go out, only 2% or 3% of everything coming in actually gets inspected.

I'm just wondering to what extent we need to be concerned. While we might be exporting to Jordan and they may enjoy the security of our food safety regime, is that reciprocal? Does the agreement provide for issues relating to food safety, and if not, should it? In other words, they have to examine 100% of everything leaving their country before it gets here.

Ms. Kathleen Sullivan: I'm not sure if it would actually form part of the text of the agreement, but when we're looking at trade relations with countries, whether we have an FTA with them or not, there are very serious protocols that are established by CFIA and Canada Border Services Agency on import permits and phytosanitary permits.

We expect that CFIA would apply the same rigour in the context of Jordan, with or without an FTA, as it would for any country we are dealing with. So I don't think we would see a difference with Jordan, and I don't think that we would see heightened food safety or food security just because we had an FTA with that country. I would expect CFIA's standards to be of the same rigour no matter who we were importing from.

• (1245)

Mr. Frank Valeriote: Okay. You said we export \$40 billion per year in agricultural and food products. You made reference later to 70% of that being essentially in pulses. I notice an exclusion for poultry products. One of the previous witnesses in our first panel explained what those products were in poultry, some chicken and some turkey, but implied that it wasn't of great concern to the poultry industry. Can you confirm that? Can you tell us how much poultry goes out and whether it's a concern that it's been excluded in this agreement?

Ms. Kathleen Sullivan: I don't represent the poultry industry. I represent Canada's agriculture exporters, so by definition, the supply management industries aren't in my membership.

I'm not sure what the previous witness was referring to. I will say that in the past there has been a tendency in trade agreements to exclude our supply-managed commodities from negotiations. I would say, though, that going forward—and certainly we've seen it in the context of the Canada-EU negotiations—the federal government has adopted a different approach, which is to have no exclusions from its negotiating mandate, and we would see that as a very favourable development.

I don't think that means for a second that the federal government is going to negotiate away our dairy or poultry sectors, but it certainly allows.... To Bob's point, our standing in international trading circles

has been eroding for years. We need to get on with closing some trade agreements. Although the government has had many trade agreements since the NAFTA, the trade agreements we have so far represent all of 2% of our agriculture trade. The trade agreements we're currently looking at, CETA, TPP, Japan, are 70% of our agriculture trade. It's the future we're looking toward in trade, and we need to get on with closing these trade deals.

If we can signal to other countries that we are open for trade and we are willing to sit and negotiate, then I think that can't help but benefit us in the long term.

Mr. Frank Valeriote: Okay, thank you.

I have a third question, to whoever might be able to answer this.

I heard somebody imply in their question that Jordan might be a clearing house for commodities that go to Jordan and then go to other countries. I'm wondering to what extent that happens, going through Jordan and getting into Canada. I recall a program where they were talking about truffles being made in Italy and in France, and the next thing you know China is in on making truffles and sending them to France, then France packages them and exports them as a product of France. Is there any way of dealing with that in these kinds of agreements, that what is coming from Jordan is actually from Jordan, or is it originating from other countries?

Mr. Richard Phillips: Our experience is the pulse industry, and one of my closest neighbours in Tisdale is a huge pulse exporter.

Most of the product going over there is consumed there. There might be some re-exporting to the EU, but to a large degree there'd be very little export coming back, just because of the economics of the distance and freight and everything like that.

There's a lot of North American processing for the North American market on that.

I guess the rules of origin is your solution in those things, and we face that in all other trade agreements as well, even for our own exports. Sugar is a good example of an export processed food. We don't grow a lot of sugar in Canada, so it always affects us in rules of origin.

Rules of origin would cover those off.

Mr. Frank Valeriote: Do you know the volume in dollars of what we get from Jordan as far as agricultural products are concerned?

Mr. Richard Phillips: I only focus on our exports. I'm sorry.

A voice: We can make a commitment to get that.

The Chair: Just for the committee's information, I asked the clerk that because I wondered what kinds of foods were coming from Jordan—some dried dates, figs, and some mushrooms and cucumbers. It's a very small number.

We now move on to Mr. Shipley.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you very much, Chair, and thank you, witnesses.

I want to go to Madam Sullivan and certainly over to Mr. Phillips for a second.

In your presentation, when you talked about CAFTA's representation, it certainly is pretty broad across the agriculture sector, including producers, processors, and exporters. That gives a pretty broad sense of what you do. When we're talking about free trade agreements, do you get an opportunity for input into any aspects around agriculture?

Ms. Kathleen Sullivan: Yes.

My full-time job is to provide input on trade agreements as they relate to agriculture, and I'd say I'm always frustrated. Last week I was at a conference on Canada-EU, and somebody said the consultations weren't very transparent. I stood up and quite vehemently defended the negotiators, because I think that consultations on trade agreements, particularly for our sector, are incredibly inclusive.

We have opportunities to provide input both through the Department of Foreign Affairs and International Trade and also through Agriculture Canada. It's not just CAFTA that provides input. I sit on many panels with my supply-managed colleagues, who also have a viewpoint on trade, as you know. We differ in opinion, but it's very collaborative and very transparent and very comprehensive.

• (1250)

Mr. Bev Shipley: That would be a fair comment to have from Mr. Casey and Mr. Kirke. It doesn't mean we all have to have the same message. There's always a concern about each of the industries, but there is a consultation process your industries are involved in.

Thank you very much.

Because I come from agriculture, I'm going to focus a little bit, but I can tell you the direct ties between the forestry and agriculture as primary producers and then the value-adds that we just continue to need to support to make these more credible products that we have to export around the world....

In your "Trade Must be a Priority", your third point, "addresses market access issues", could you just expand on that a little bit? We've talked about Jordan. I believe it was Madam Kubba who talked about the gateway in. Can you talk about the access, a little more about those issues, what they are and how we can fix those?

Ms. Kathleen Sullivan: Sure. I'll do it perhaps a bit generically but give you some specific examples.

Whether we have a trade deal with a country or not, we often face market access issues, and country-of-origin labelling in the U.S. would be a good example of that. We often have market access issues with China.

Perhaps Andrew has the same problem, but in addition to non-tariff barriers—just differences in testing methods or testing standards—we face sanitary and phytosanitary issues that have to do with the fact that we have a biological product, an organic product. Often different countries apply different tolerance levels for pests or pesticides or a low-level presence of genetically modified materials. To the extent that those different approaches reside in another country we're trading to, they pose a trade barrier for us. Whether we have a trade deal or not, often the text of a trade deal doesn't deal with those. Those are the issues that—really, probably more often than not—stop us from trading.

Our negotiators know how to deal with tariffs. They know how to deal with quotas. There are formulas. There are different ways of approaching it. But it's the non-tariff barriers that really cause the major market access issues, because you can be very creative in how you decide to stop another country's product from getting in.

That's why I made one of the other points: we really need to be negotiating 21st century deals that start to get our head around the complexity of these non-tariff barriers and how, perhaps, we start to put in processes and formulas for dealing with those. Really, they have to take place on an international basis.

Mr. Bev Shipley: Andrew, if you want to talk to that too....

Have you put forward suggestions as you start to develop that 21st century mentality? I know the negotiators who are involved with these are very open to having suggestions and recommendations, because we've always believed in Canada that if we're going to have an agreement, it has to be a win-win for both. It has to be a living document in some respect, so that, as changes happen so quickly, we can address those. The non-tariff barriers are a huge problem, but they would look for suggestions, I suspect.

Ms. Kathleen Sullivan: Part of it is to try to use the negotiations themselves as leverage for dealing with issues. We've done that with the EU. We've used the fact that we're negotiating to encourage the European Union to focus on some GMO issues that we have with them, the point being that we won't sign a deal until they solve those problems, even if they're not in the text of the deal.

The other things we are doing are setting up committees. We have a joint veterinary management committee, on the livestock side, with the EU. We're hoping the negotiations will set up something similar for both canola or oilseeds, and also for grains, with the EU. It's also about building, I think, into the language of agreements adherence to international standards and international bodies and the rules and regulations they have set forward.

Minister Ritz has been a great champion on low-level presence in GMOs, as you know. There's a conference in Washington in two weeks that is trying to bring international groups together to establish some standards for that.

You can't just rely on the trade deal. You've also got to rely on the international standard-setting bodies as well. But the trade deals need to force the country you're negotiating with to adhere to those international standards, and there have to be enforcement mechanisms in it for recourse.

•(1255)

The Chair: We have a very short time left, about three minutes. Mr. Ravignat and Madame Péclet have a couple of very short questions.

Ms. Ève Péclet (La Pointe-de-l'Île, NDP): We have five minutes?

The Chair: No, you won't have five minutes; you'll have the best part of three minutes.

Mr. Bev Shipley: I think I gave up some of mine.

The Chair: Actually, you did.

Go ahead, Mr. Ravignat.

Mr. Bev Shipley: I wasn't really done, Mathieu.

Ms. Ève Péclet: You're using my time, Mathieu.

The Chair: You're actually wasting time now.

Was Mr. Ravignat going to start?

Ms. Ève Péclet: Okay, start.

The Chair: Either way, you two fight it out.

Mr. Mathieu Ravignat: All right, let's just go.

Just to add to my distinguished colleague, Ron Cannan, they also don't have the monopoly on wanting to see some trade happen. I'm particularly concerned about an issue in my riding, and it's forestry. I come from the Pontiac, where a number of plants have closed over the years. In Quebec that industry is in crisis. In Quebec and close to Quebec 600 jobs have been lost.

Just recently 200 jobs were lost in Maniwaki near my riding. What I would really like to ask you, Mr. Casey, is what can you tell those workers? A lot of them are seasonal. How is this trade deal going to help them secure their jobs?

Mr. Andrew Casey: Your riding is not unique, unfortunately.

Mr. Mathieu Ravignat: No, it isn't.

Mr. Andrew Casey: Certainly it is something that has affected the industry across the country. So I'm talking to all employees in the industry, all 240,000 people who continue to be employed in the

industry. I would say that that these deals help to diversify our markets. It gets us away from our dependence on the U.S. market, and we've seen what over-dependence on one big market can do.

It creates new markets for the industry and for its products. It creates niche markets for the products. I used the example of cement bags for Egypt. It creates new places for us to sell our products, and an important part of our business plan going forward is to ensure that the jobs are here for the long term.

We think that, as we grow those markets, they will be there for us in the future, and that it's the one way to keep jobs here, to grow the marketplace, and to sell more product.

The Chair: Thank you.

Madame Péclet, you have one minute.

[*Translation*]

Ms. Ève Péclet: Mr. Kirke, you focused your remarks on the rights of workers. As we know, this issue comes up often in the textile industry.

Why not do like the United States and include provisions on protecting workers in the treaty itself, rather than in a separate agreement?

[*English*]

Mr. Bob Kirke: I have no particular expertise in the structuring of labour provisions within a trade agreement. I actually have less confidence that it will be where you resolve those problems. Companies will solve those problems through multilateral organizations such as the ILO. So if this committee cares to, maybe we can reinforce our commitment to Better Work Jordan in conjunction with this trade agreement, because I don't think within the confines of the agreement you're actually going to find what you're looking for. But there is progress being made, and I think we need to take stock of why there is progress, and reinforce it so that it has as broad an impact as possible.

The Chair: I want to thank you very much for coming in and lending your expertise to the discussion on this agreement.

With that, the meeting is adjourned.

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