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Chair

The Honourable Mark Eyking

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• (0805)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)): Good morning everybody, and welcome to our committee meeting. We are the international trade committee from the House of Commons, and we are a very active committee. We have a lot on our plate since Parliament resumed. We have softwood lumber issues. We are finishing up on the European agreement, and right now we are up to our eyeballs on the TPP.

What we have decided on our committee is to travel the country and visit all the provinces and territories, and listen to people, companies, stakeholders, consumers, workers, and everybody who is going to be affected by the TPP agreement. Everybody will be, one way or another. Whether you're buying a product at a local hardware store, or whatever you're doing, it's going to have a big impact, and it is a big trade bloc. That is what we are doing, and we're going to be doing that throughout the year. In the new year, we'll have the report in to the House of Commons for a debate.

On that note, we have with us members of Parliament from right across the country. We have Mr. Hoback and Mr. Ritz from Saskatchewan. From Ontario, we have Mr. Van Kesteren, Ms. Ramsey, Mr. Peterson, and Mr. Fonseca. Ms. Ludwig is from New Brunswick, and Madam Lapointe is from Quebec. We have a broad group from across the country. I am Mark Eyking. I am the chair, and I am from Cape Breton, Nova Scotia.

The way we do it is we give each panellist or group roughly five minutes to do a presentation, and then we'll have dialogue with the members. On our panel this morning we have the Canadian Association of Importers and Exporters, we have Magna International Inc., we have the Toronto Regional Board of Trade, and we have the United Food and Commercial Workers Union of Canada.

We will start off with Ms. Nott for the Canadian Association of Importers and Exporters.

Ms. Joy Nott (President and Chief Executive Officer, Canadian Association of Importers and Exporters): Thank you very much, Mr. Chairman and members of the committee, for giving I.E. Canada, the Canadian Association of Importers and Exporters, which is far too long to say, so we call ourselves I.E. Canada, the opportunity to testify this morning.

I.E. Canada is a national trade association that's been speaking on behalf of Canadian importers and exporters for almost 85 years. Next year is our 85th anniversary. Our members include importers and

exporters, Canadian manufacturers that of course both import and export, wholesalers, distributors, retail importers, and supply chain service professionals.

Our membership in total employs over one million Canadians and generates \$270 billion in annual revenue to contribute to the Canadian gross domestic product. We represent some of the largest importers and exporters in Canada as well as some small and medium-sized companies. Our members import all sorts of different commodities, everything from coffee beans to car parts. In fact, sitting next to me is Magna International, which is a member, and also happens, as a company, to be the chairman of the board of directors for I.E. Canada.

In brief, I.E. Canada members overall strongly support the TPP agreement. That being said, there are a few considerations that must be taken into account whenever Canada considers signing an agreement of this magnitude. It becomes even more important when you look at an agreement like TPP that has so many different economies all at once in a single agreement, especially with the likes of Japan and the United States.

In the business world, supply chains are tightly integrated. There is very little distinction, when you're in a boardroom, between an import and an export when strategizing on where supply chains are going to be positioned. Rather, companies view their supply chains as a continuous flow of materials, components, and finished goods back and forth through the supply chain until the finished goods reach the customer. It's the continuous flow of materials and goods that companies base strategic decisions on, rather than discrete import or export processes.

Traditional government policy, however, sometimes does not match that business reality. Imports and exports are generally viewed as two distinct operations when you talk about government policy, where imports are generally viewed as being bad for the economy, and exports are being viewed as good for the economy. In today's reality, an import and an export, when you're in a boardroom, is a single transaction.

That distinctive thinking, when you start getting down into the weeds about an import being bad for the economy, and an export being good for the economy, actually hurts the Canadian economy. The reality in today's integrated supply chains is that most manufacturers and most exporters cannot achieve what they need to achieve without importing at least something, some sort of material or whatever.

When private sector companies look to trade internationally, they develop integrated strategies that disregard whether an international movement is an import or an export from a policy position. They look to the end results that they're seeking to guide their decisions, and do not develop import trade strategies without considering export and vice versa.

The Chair: There's a minute left.

Ms. Joy Nott: One of the things we think is important for the panel to understand is that right now there seems to be.... I was saying to the chair, in a chat before we got officially started, if you had asked me to make comments on TPP about 18 months ago, I think my comments from member feedback would be slightly different than they are this morning. There seems to be a high level of skepticism right now amongst our members that TPP, or in fact any of the major free trade agreements that are on the table, such as CETA, are likely going to come to fruition.

The P word, the protectionist word, seems to be on the air globally. Whether that's justified, I'll leave to others to decide, but it seems to be the feeling that's where we're heading.

I think a lot of it is based on what's happening in the U.S. primaries right now, and some of the things they are seeing and hearing on television, and I think it's leaving people with an impression.

The final comment I'll make is that normally we don't deal with interprovincial trade. We focus on imports and exports at the national border and international transactions. We're hearing things about the state of current trade interprovincially in Canada. The New Brunswick beer story is so widely known that it's striking how many people have focused on that. The thinking is if we can't get that right, bringing TPP, and layering TPP onto New Brunswick beer....

The final comment I'll make is that I've had some members surprisingly say to me, "I long for the good old days when the tariffs were high, non-tariff trade barriers were few, and trade was transparent. I paid a lot more in duty, but I knew exactly where I stood then. Non-tariff trade barriers, which are often opaque, are much harder for me to understand what I should be doing."

With that, I thank you for your time, and I welcome your questions.

• (0810)

The Chair: Thank you very much. You did well on your final comments.

We're going to move on to Magna International.

Mr. Johns, go ahead, sir, for five minutes.

Mr. Sean Johns (Director of Sustainability, Energy and Government Relations, Magna International Inc.): Thank you. I'm probably going to be briefer than Joy was.

Good morning, Chair, and honourable members. Thank you for this opportunity to appear before the committee to comment on the Trans-Pacific Partnership agreement. I'm pleased to share Magna's perspective on the impact of this agreement and how it relates to our business in the automotive parts manufacturing sector.

Magna International is a leading global automotive supplier with 306 manufacturing operations, and 92 product development engineering and sales centres, located in 29 countries.

We have over 147,000 employees, and approximately 20,000 of those in Ontario, all focused on delivering superior value to our customers through innovative products and processes, with an emphasis on world-class manufacturing.

Our product capabilities include producing body, chassis, exterior, seating, powertrain, electronic, vision, closure, and roof systems and modules, as well as complete vehicle engineering and contract manufacturing. In 2015, our global sales amounted to \$32.1 billion.

In anticipation of the pending changes the Trans-Pacific Partnership agreement could present, Magna is currently assessing how this might enable us to achieve new benefits, while also building an understanding of the compliance implications and evaluating the necessary tools that would enable us to meet these new requirements.

Overall we expect the net impact of the agreement on Magna's consolidated global operations to be neutral. Through increased competition and reduced regional value content rules, it is expected there will be additional pressure on automotive parts manufacturers within Canada where facilities are producing products that are low value, labour intensive, cost sensitive, and can be officially transported for export purposes.

The impact on small and medium-sized enterprises with limited access to capital and challenged mobility may be greater than that on Magna, as we currently have a global operating footprint with an existing presence in many markets.

With this flexibility to shift our operations to remain competitive, we will continually evaluate the optimal locations to manufacture. Although investment decisions are not based on local content requirements or tariffs alone—and for us the quality of infrastructure, access to skilled talent, ease of doing business, and proximity to our customers and suppliers is far more important—trade agreements and tariff barriers could be elements that factor in decisions on where new facilities and programs are located.

While Magna is headquartered here in Canada, and has significant operations in the province of Ontario, the location of our production facilities is highly dependent on the requirements of our customers. The broader implication for our business will be the impact of the agreement to these OEMs and any resulting reassessments of sourcing strategies to optimize supply chains.

It is critical to the automotive parts manufacturing sector that the Trans-Pacific Partnership agreement does not substantially detract from Canada's competitive position and rather strengthens its abilities of supplying products into expanding global markets.

I'll save further comments for our question session.

The Chair: Thank you, sir.

We're going to move on to the Toronto Region Board of Trade, and Madam De Silva.

• (0815)

Ms. Jan De Silva (President and CEO, Toronto Region Board of Trade): Thank you, Mr. Chair.

Good morning, honourable members. Welcome to our very rainy city today. It's a good thing we're inside taking comments.

I'm pleased to have this opportunity to present to you on behalf of the more than 12,000 businesses and 120,000 professionals that make up the membership of Toronto Region Board of Trade.

For us, TPP is critical to the growth and success of our region, and to our country, because it provides our businesses access to high-growth markets.

Having personally spent 15 years running Canadian companies in Hong Kong and China, I've experienced first-hand the tremendous impact and opportunities that growth markets create for Canadian companies. More trade translates into more jobs and a higher standard of living for the people of Toronto region and, quite frankly, for many of the people in the markets that we're trading with. Firms engaged in global markets have a remarkable economic effect. They're more innovative, more productive, and generate more jobs and higher wages.

As The Conference Board of Canada reports, every \$100-million increase in exports creates approximately 1,000 new jobs at home.

In Toronto region the diversity and strength of our industry mix is one of our greatest assets. We're home to a larger share of traded clusters in our economy than New York, Boston, and Chicago. In 2012, traded clusters accounted for 38% of Toronto region's total employment, compared to 33% in Canada as a whole.

From human health sciences, food and beverage manufacturing, automotive, aerospace, ICT and advanced manufacturing, the region has the right assets to succeed in a global economy.

The TPP will eliminate tariffs on almost all of our key exports and provide access to new opportunities in Asia Pacific. If ratified, Canada will be the only G7 country that is part of NAFTA, potentially CETA, and TPP, giving us access to 60% of the global economy. TPP alone will give Canadian businesses preferential access to an economic zone covering 40%, or \$28.5 trillion of the global economy.

Now, the agreement is one thing. It's what do we do to get businesses active and taking advantage of this. To realize this tremendous opportunity, we really do need to find a way to get our businesses taking better advantage of all the growth that this trade access provides. Currently, only 5% of Canadian businesses that can export are exporting. In May last year, our board undertook a study to understand why this was, and what we could do to solve it. Our export strategy report, which I've left copies of here today, revealed that current exporters and businesses considering export feel they face a number of barriers.

To help these businesses overcome these challenges, we established a multi-year trade accelerator program called TAP GTA. It's a platform that brings together key government trade agencies and some of our largest corporate members to provide their high-export potential SME clients access to our trade accelerator program. The program is very practical, very hands-on. Over a 90-day period, each company develops an export business strategy and has access to resources needed to activate it. This includes our trade commissioner services, as well as access to the international consuls general in Toronto from the target markets they wish to pursue.

We're already seeing results. Since the start of our program in November we've had 50 companies successfully complete it. Over the next three years, we're targeting 1,200 companies to go through this, and we hope to generate another half of a billion dollars of export in our region.

Our graduates tell us that the program is working to increase their sales, gain access to new markets, and create new jobs within their companies. For example, one of our first graduates, Fine Cotton company, a company in Scarborough, Ontario, has already increased sales by \$250,000 a quarter, through increasing exports to the U.S. They've hired an export manager. They've found a distributor in Italy who will represent them in Europe, and they've just signed an R and D agreement with the National Research Council of Canada, all activities that have come out of that export strategy process they learned through TAP GTA.

In fact, 85% of the companies that have participated in TAP are telling us that the TPP agreement is important, and these are markets that they wish to access.

Free trade agreements like TPP can create a robust network of international partners that can facilitate commerce, and organizations like our board of trade will be there to help the business community activate and take full advantage of these opportunities.

I welcome any other questions you have in the Q and A part of our discussion.

●(0820)

Thank you.

The Chair: Thank you, Ms. De Silva.

Those are very impressive figures. It's quite the powerhouse you have here in the Toronto area. It's very vibrant. We got to enjoy some of your good food here last night. There are some nice restaurants.

Thank you for coming.

We're going to move over to Mark Hennessy now with the United Food and Commercial Workers Union of Canada.

Go head, sir.

Mr. Mark Hennessy (Special Assistant to the National President, United Food and Commercial Workers Union Canada): Thank you, Chair.

On behalf of the members UFCW Canada, I thank you and welcome the opportunity to appear before the Standing Committee on International Trade to comment on the Trans-Pacific Partnership.

Before I begin however, I would like to bring greetings and regrets from our national president, Paul Meinema, who was unfortunately unable to appear here today.

UFCW Canada is Canada's leading private sector union. Together we are more than a quarter million Canadian workers strong. Together we are building a stronger future for UFCW Canada members, their families, and communities while protecting and promoting employees' rights, social justice, and equity for all.

UFCW Canada is a leading force for workers in the retail, food processing, and hospitality sectors. As part of Canada's most progressive union, our members live and work in communities from coast to coast in every province. Our members are your neighbours. They are your grocery clerk or the cashier you have gotten to know. They work in meat-packing plants and hotels. Some work in nursing homes, drugstores, food-processing plants, and many other sectors of the economy.

Quite literally, our members help feed Canada. Whether it's moving livestock, picking the vegetables, or helping you with your groceries this week, it's our members who carry out that work.

UFCW Canada believes the Trans-Pacific Partnership is not a good deal for our members and Canadian workers. I'd like to outline a few of the concerns that led UFCW Canada to take this position.

With regard to industry, we're concerned about Canadian job losses. Some of those jobs would be our members and their families. The TPP will give foreign poultry and dairy producers an even bigger share of our market, which to us means that processing and production jobs in those industries are at risk. While owners and producers have been promised compensation packages, there has been no such commitment to workers.

Another concern is the Canadian auto sector, as we have members in the auto parts sector. A study by our friends at Unifor found that the TPP could lead to the loss of as many as 20,000 jobs in the Canadian auto sector by eliminating incentives to manufacture vehicles in Canada and increasing incentives for companies to source auto parts from low-wage countries.

Also, chapter 12 of the TPP lays out the labour mobility provisions in a way that undermines the interests of Canadian workers. This provision takes the worst aspects of the temporary foreign worker program and then strengthens them. The agreement prohibits Canada from imposing any limit on the number of foreign workers entitled to enter the country as long as they fall under one of the broadly defined categories of workers that Canada has agreed to admit. Canada is further prohibited from administering a labour certification test before the worker can be given a work permit. This agreement allows companies to bring in foreign workers to Canada to take jobs that Canadians are ready, willing, and able to fill. These workers will not be immigrants. They will have no path to citizenship. They won't fall under the existing temporary foreign worker program. Under the existing temporary foreign worker program, employers have to pay those workers the same wages as Canadian workers, and train and certify up to Canadian standards. The TPP will not even give these modest protections to exploitable foreign workers.

We also take issue with the higher drug costs. Canada already has the second highest per capita drug costs in the world. The TPP gives even more monopoly patent protections to drug companies than they currently have, meaning it will require more money from Canadians should they require drugs. It also puts a real strain on unions' collective bargaining when trying to negotiate future drug plans. Yet, the big pharmaceutical corporations will continue to fill their pockets and expand their bottom lines.

Finally, the TPP is an affront to Canadian democracy. Through its investor-state dispute settlement provision, corporations are able to directly sue democratically elected governments. Further, the TPP restricts an elected government's ability to pass any new legislation that may negatively affect a corporation's bottom line. This includes expanding public services like pharmacare.

UFCW Canada is not against trade. We also understand the nature of negotiations and know that we might not get everything we want, but we are against trade agreements that benefit global multinational corporations to the exclusion of Canadian workers and their families. We would prefer agreements that are more balanced and fair. While we have other concerns with the TPP, we will speak to those in our formal submission, which is on its way.

So far, through our analysis, it is our opinion that the cons far outweigh the pros in the TPP, and for those reasons we oppose it.

I would like to mention one final concern, which is the fact there have been no government impact studies on the TPP from what I'm told, and it's been very difficult to get some of the information on what the agreement really means for Canada and Canadians. If there is still time I would urge the government to consider these types of studies, especially in regards to this agreement.

Thank you.

• (0825)

The Chair: Thank you, sir. Thank you, to all the presenters for the presentations.

We're going to move on to the dialogue with the MPs. Before that, I would like to welcome any of the guests here in the audience.

Without further ado, we're going to start off with questioning. We're going to go to the Conservatives first for five minutes.

Mr. Ritz, you have the floor.

Hon. Gerry Ritz (Battlefords—Lloydminster, CPC): Thank you, Mr. Chair.

Ladies and gentlemen, thank you for your presentations here today. We're hearing repeats across Canada from different sectors—the same points are being made.

One concern or question that we've heard from many smaller businesses is "how do we get educated?" Ms. De Silva, I'm intrigued by your program and the success you're already having with it.

I was going to ask Ms. Nott whether her organization offered the same type of training, just the education component that seems to be there for businesses to take advantage of these opportunities.

Ms. Joy Nott: We don't actually have training per se. One thing we find challenging and that our members have told us repeatedly

over the years is that the kinds of programs Ms. De Silva is talking about are to be applauded, and our members take advantage of them.

They're more about market access, though, rather than understanding the regulatory requirements. I like to say that we play really right down in the leaves—or right on the shipping dock is where our members tend to be. We are the supply chain professionals, who understand that an incorrectly completed form may sound like a small thing, but it can actually grind a shipment to a halt and can cost companies tens of thousands, if not hundreds of thousands, of dollars.

As an answer to the question, the baseline is no. There have actually been studies to say that the grassroots understanding of how to commercialize free trade agreements is actually missing from the Canadian educational system. Under the Conservative government, there was a study done by HRSDC that looked at exactly that point.

Access to market and the kinds of programs that Ms. De Silva was talking about exist. Once you actually ship and find out that there's a marketing issue or that the paperwork hasn't been completed.... That kind of education is lacking in the marketplace. The existing Japan

Hon. Gerry Ritz: The school of hard knocks can be very expensive, when you have stuff sitting on the dock.

Mr. Johns, as a global player do you find that the predictability of trade is sometimes questionable as you move product from country to country? Once you have your footprint established and have the corridors open, it becomes much easier. In a multilateral agreement such as the TPP, however, we're talking about some developing countries and we're talking about developed countries, which you already have a footprint in.

How important to you is having that predictability in order to decide where you're going to put your next client and where you're going to put your next sales office, as global supply chains continue to ripple out?

Mr. Sean Johns: We've experienced some difficulties moving into some new countries. As I said earlier, we're operating in 29 countries today. What we typically find is that they're not as mature, so their tax rules differ for us. That usually doesn't pose so much challenge on the investment front, but it certainly does when we want to change our footprint.

It's something that gets strong consideration, but typically we're a follower. We're not typically first there. Our customers are usually forging a path, and then we're coming later, so a lot of those things are established and there's some ability to leverage from whoever is there first.

Similarly, we operate six different business units, and in the past we've had one or another enter into a country, and then we're able, as soon as we get some feet on the ground, to leverage that around our business and share the best practice.

Developing markets are always very challenging, and it requires a lot of resources to understand the new systems and their complexities. When they're not as mature, the timelines to accomplish what you want get extended, and for us that's typically not acceptable. We're accountable to our customers to meet their timelines and deadlines. That's where we face a lot of challenge.

Hon. Gerry Ritz: The point there is that there isn't a government in the world that operates at the speed of business, and that's unfortunate, but it is improving. As we have these multilateral agreements, or even bilaterals, you start to bring others up to speed.

Mature economies such as those of the U.S., Canada, and even Australia, which are trade-oriented, are looked at with envy by developing countries such as Vietnam, Malaysia, and some of the other smaller countries. As others, such as the Philippines and Indonesia, talk about joining TPP, they look to us to mentor. Part of the whole idea of education whereby we educate our businesses is that we also have to educate other governments as to how they educate their people to take advantage of import and export.

You're right, Joy; it's a two-way street. It's not just about exports; it's about imports that strengthen our own economy as well.

● (0830)

The Chair: You have half a minute, Mr. Ritz.

Hon. Gerry Ritz: Okay.

Let's talk about labour. There's always been a concern that there aren't enough people of the right type in Canada. Do you see a government-wide organization, Mr. Johns, as making it easier to move people around? You can actually take Canadians to some of your plants and bring back and forth—

The Chair: Make it a quick answer, sir.

Mr. Sean Johns: Actually, we haven't experienced significant difficulty in taking people, but what we have found is that as our business has developed over the early period, what we want to do is use local resources in order to operate in those countries. We're really only taking our culture and our operating practices and are trying to get them implemented with people in those countries. Then we're hoping that from there...we've found it's most successful if we use local resources.

The Chair: Thanks, sir.

We're going to move over to the Liberals for five minutes.

Mr. Peterson, you have the floor.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, Mr. Chair.

Thank you, everybody, for coming here today. It's nice to hear from you and to get your points of view.

I just have a few questions.

Sean, I'm going to start with you. Hopefully you're holding down the fort in Newmarket—Aurora while I'm travelling on this committee. You talked a little bit about Magna's footprint. Many of its jobs, of course, are in my riding of Newmarket—Aurora, our riding. It's good to hear about the continued success of Magna. It seems to have survived my departure, which is nice to hear.

We're comparing the TPP to the status quo. Have you guys been able to give any assessment or analysis to, let's say, the U.S., Mexico, and Japan joining the TPP and Canada not doing so? What adverse impact might that have on your supply chains, your business lines?

Mr. Sean Johns: Kyle, I wish I could answer that question, but the question of whether or not we've considered Canada not joining is probably best directed at our director of trade compliance. Ultimately, I expect there has been some discussion. I'm just not in a position to answer that.

Mr. Kyle Peterson: I appreciate that, Sean. I'll talk to Mike later.

I think you made a good point about exports and imports and that sort of dynamic. I think all of us on the committee should realize that having access to good imports is also good for a Canadian company's supply chain, because when buying input, companies want to oftentimes buy the best product at the lowest price, and sometimes that's an import. If we don't have access to that import, that lack can adversely affect the supply chain of a corporation and the price of the final product.

I'm glad, therefore, that you brought the matter up.

Joy, do you think TPP would help, on that side, and would give Canadian companies access to imports?

Ms. Joy Nott: I do. The bottom line to that is that if you take a look at what countries are involved in TPP, they are already countries that Canadian and American companies are sourcing from. The fact that we would have a free trade agreement with them makes it attractive.

Let me go back to the question you asked Sean: whether or not there has been any sort of analysis done as to what would happen if the United States and Mexico were part of TPP and Canada was not.

My members have been extremely clear on this one point. As I said in my remarks, there's a big doubt as to whether TPP is actually going forward, but if it does go forward, the message I have received is that we have to be at the table; we absolutely have to be at the table.

There are mixed views as to whether TPP is a fantastic deal, a mediocre deal.... You'll get different, mixed reviews, but the view is unanimous that if TPP goes forward, we have to be in the game.

Mr. Kyle Peterson: Thank you for that.

Mark, I have a quick question for you. I appreciated your comments too about what impact it would have on your members. As you may know, we've been travelling across the country and have spoken to a lot of farmers and a lot of agri-food producers from Saskatchewan, Alberta, even Quebec and Ontario, who think that TPP will actually generate a lot of value-added food processing here in Canada as they're preparing products for the new markets.

Have you given any thought to that? That presumably would create some jobs for your members.

Mr. Mark Hennessy: Yes, we have definitely. Through our analysis we have realized that there might be some uptake in certain industries, such as in the pork and beef sectors for sure. Unfortunately, we don't have enough analysis from some of the other trade agreements that have already been signed, which said the exact same things, but from which we didn't see very much difference in actual real jobs on the ground being created out of—previous trade agreements such as the Korean trade agreement and so on.

Again, the cons rather outweighed what was already there as positives already.

● (0835)

Mr. Kyle Peterson: Thank you. I appreciate that.

Jan, I have known of the program you mentioned for a couple of years, but it's really great to hear the success stories. I think they speak to the fact that companies that export in Canada tend to be more profitable and tend to create higher-paying jobs. The difficulty is in maintaining the ability to export, and Joy spoke briefly about the regulatory regime, which is sometimes difficult, especially for small and medium-sized enterprises. It's sometimes just very cumbersome.

Have you all given any thought to helping exporters in the board of trade navigate that world?

Ms. Jan De Silva: The trade accelerator program does just that, but I think the next generation of what we want to do with it is what I would say is, adopt a sector. For each of our competitive clusters, we want to be able to put support for them to identify which of the markets around the world are most important to them and how do they navigate them, so that we can deal with them as a cluster rather than company by company. That helps both the outbound and inbound missions, as well as forums and opportunities here.

I was speaking with Mark just before this event, and I think on the food side, agri-business is one cluster that we're positive about in the context of TPP. There is a huge demand for the value-added products we offer here. I was on Mayor Tory's trade mission to Asia, albeit not

on TPP. It was in China, and we signed a memorandum of understanding with Greenland Group, a U.S. \$100-billion company. They're setting up a Canadian purchase centre here in Toronto to source Canadian food products for their international grocery stores in China. They'll take care of all the importation, the clearance, and the retailing. I visited one of their stores with city councillors, and I was grumpy about how many Australian food products they had on the shelves. We should have Canadian products there, so I wanted to show how, in the context of TPP, that's an important sector for us.

The Chair: Thank you very much.

We're going to move on to the NDP, and Ms. Ramsey for five minutes.

Ms. Tracey Ramsey (Essex, NDP): Thank you, and thank you for your presentations.

I found it fascinating, Ms. De Silva, because we have heard around the country that businesses are unable to access it, or are not doing it well. They don't see the TPP as being a great opportunity because they can't get there in a real way. What's been highlighted to this committee over and over is that we're not prepared to be part of this trade agreement in any way that would see benefit, because we don't know how to reduce and protect the import control issues that we have around poultry and different sectors, around the interprovincial issues we have, and around access to those markets. I think what you're doing is good.

It's important to understand that we're already 97% tariff-free with the TPP countries. Interestingly enough, Ms. Nott, what you said is something we hear as well, in that this isn't really about tariffs. When we go to agriculture, what we're looking at are those non-tariff barriers. You spoke a little bit about that and the hurdles people have to climb over with the non-tariff barriers. Can you let us know what some of the non-tariff barriers are that are issues for those you represent?

Ms. Joy Nott: We were mentioning the food sector, so I'll speak to some food examples. One example that would be probably known to everyone in the room would be country-of-origin labelling that we just went through with the United States. That's a perfect example. I think often non-tariff trade barriers are not brought up by either the Canadian government—because sometimes we do it to ourselves—or foreign governments as a means to intentionally be a non-tariff trade barrier. I don't think anybody sits there with that thought, because they don't necessarily overlie the international trade implications on what they're looking at, but that's how you get there.

Ms. Tracey Ramsey: We have limited time. Do you have any specific non-tariff trade barriers? We've heard about phytosanitary and sanitary issues in the agriculture sector. We've heard about diafiltered milk, and we've heard about specifics. Do you have anything specific?

Ms. Joy Nott: You'd have to pick a country and then, yes, all of those things that you said, but they differ from country to country. As Jan is referring to, you have to pick your country and then get educated on that one country. Just because one country is in TPP doesn't mean you can take the learning that you've had from TPP in one country and automatically transfer it to another.

Ms. Tracey Ramsey: Okay.

Mr. Johns, I have one question for you, too. To what extent is it likely that Magna will increase its investments in new and existing manufacturing facilities in Canada as a result of the TPP? What types of jobs would you potentially create here in Canada?

• (0840)

Mr. Sean Johns: Our investment decisions still are highly driven around where our customers locate their assembly operations.

Ms. Tracey Ramsey: If they move to Malaysia, you move to Malaysia. You follow them, right?

Mr. Sean Johns: Not necessarily. I think if they move to Malaysia, it depends on their requirements for proximity. It depends on the types of components that we manufacture. Where things that are well defined in one of the schedules in this agreement for larger assemblies, things like stampings, welding assemblies and chassis, and some of the larger axle components, are things you need to locate close to assembly facilities.

Ms. Tracey Ramsey: I think our concern is that there'll be this shift. There are lower-wage economies in the TPP, and there'll be a shift similar to what we saw with NAFTA to the southern U.S., into essentially Mexico. It is one of the concerns we have.

My other question will go to Mr. Hennessy. Can tell us how many members you represent? Do you see potential losses in some of those sectors, such as you're identifying with dairy and poultry?

Mr. Mark Hennessy: For each of the sectors, we have about 546 in the auto parts sector, just over 10,000 in the poultry sector, and just under 1,300 in the dairy sector.

Our biggest concern would be the poultry sector. The local union deals with those employers, similar to the considerations that Magna would have to go through, and those employers would take those same considerations into account when deciding are they going to move, are they going to stay, or are they going to move around.

Ms. Tracey Ramsey: We've heard from the poultry sector that they'll lose \$150 million a year in perpetuity under the TPP. Dairy will lose \$400 million per year, and it's unclear whether or not there's compensation that sits there for them. That would definitely impact those that are working underneath you, if you will.

Do I still have time?

The Chair: You have half a minute.

Ms. Tracey Ramsey: Mr. Hennessy, you identified some other issues and ISDS is something that we hear over and over. We had 32 individual Canadians come and present in the last three cities. Nearly

all of them mentioned ISDS as a concern for Canadian sovereignty. Can you speak about ISDS to us, please?

The Chair: It'll have to be very brief, please.

Mr. Mark Hennessy: As I said in my presentation, that's one of the pieces we oppose the most. Any time we allow a corporation to sue a government, but the government is not allowed the ability to reprimand or take action against that corporation, it seems weird. We're allowing a corporation to supersede elected governments across the country, and it's a major problem for us.

The Chair: Thank you, and we're going to move over to the Liberals now.

Mr. Fonseca, you have five minutes. Go ahead, sir.

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

Thank you to all our witnesses for your excellent presentations and for your perspective on the TPP, as well as international trade. We live in a multicultural country. We pride ourselves here in the GTA as being a microcosm of the world, with all of our diaspora communities, but I think we have failed to tap into those communities in terms of international trade.

My question is to Ms. De Silva. At Toronto Board of Trade, how are you doing that? Do you have a model for that? How are you attracting them?

I see that in many of our communities, they are importing many products from countries that were their previous homelands, but I'm not sure if that's going in reverse. We are also exporting many Canadian products to those countries, as you've cited on your trade mission.

Ms. Jan De Silva: I would say one example where we are succeeding is in human health sciences. The diaspora and the diversity we have here in Toronto is enabling us to do research and development for citizens around the world.

If I look at some work that we've been doing with the City of Brampton, they're looking at a foundation researching diabetes for the Indian diaspora. They have a partnership now with another teaching hospital in India where they're going to be collaborating on this. What gets developed here in the Toronto region is something that will be developed for export. That's a good example of how our diaspora can be engaged.

When we went into TAP GTA, that was a big piece we were trying to solve, because I don't see us taking full advantage of the breadth of diversity we have in our communities. Part of our TAP advisory council has gone out to all of the different communities, like the Canada India Business Council and the Canada China Business Council to be part of our advisory group. I hope we will find a solution for that. I don't have the perfect answer, but it is a problem to be solved.

Mr. Peter Fonseca: Thank you.

With the 50 or so companies that have had some success, you mentioned one that was having success with Italy. What other countries of those 50 would they be tapping into, and what markets?

●(0845)

Ms. Jan De Silva: Interestingly enough, China was a big market. We thought there'd be more of a fear factor, but we've seen a lot looking at China. For some of the examples we've had, we've been able to connect them with students studying at U of T who are from Hong Kong. In some cases they've been able to set up distribution partnerships to represent them in that market and get them up and running. A good example would be a company like New York Fries, which is a Toronto group. They're being built out in China by some former Hong Kong students who studied at U of T and found the product there.

They also have a good vodka out of Oakville. I'm not sure their parents want to know how they found out about the vodka, I think the fries business was easier, but those are good examples where we can take advantage of foreign students coming in to help access markets.

Mr. Peter Fonseca: Thank you.

Mr. Johns, we've heard from the auto sector, and we had an opportunity to hear from the president of Ford, as well as some of the auto parts manufacturers. What they had to say was somewhat alarming. They said there would be little chance of Canada landing another assembly plant here if the TPP were to be ratified. Can you give me your take on that?

Mr. Sean Johns: I'm not sure that's entirely contingent just on TPP. Going forward and at least for the foreseeable future, that looks like the probable case, but it's based on a variety of competitiveness factors that I think the government and the industry are working hard to understand. They're shifting production around the globe to support new, emerging markets. The North American market has had a lot of attention over the last several decades, and we've industrialized to support it, and our OEMs have similarly done that.

As these other markets emerge, they need to have footprints in those markets, and that has also driven our global distribution of facilities. If you look at our footprint here specifically, because we're predominantly in Ontario, the footprints have changed and the

numbers of facilities have reduced, but overall our employment numbers have stayed relatively the same, so our facilities have grown in size. We've continued to maintain growth in our sales.

So our footprint has changed. Whereas historically we would have a facility that might have 200 people, today we have some that are approaching 2,000 people.

It's very critically important to our business in Ontario that we at the very least maintain the manufacturing we have here today. We incentivize it to stay and we look for successive programs to backfill the ones that we're making.

I'm not in a position to be very hopeful that we're going to attract a new investment in the near future, simply because I don't think we need the additional capacity. I'm not sure this is the optimal position from which to support that growing global market demand.

The Chair: Thank you. That wraps up your time.

Ms. Ludwig.

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): Thank you.

Good morning and thank you for your excellent presentations.

I'm going to start with Ms. Nott.

Thank you for raising the significance of importing. We've heard several times throughout our panel discussions of the significance and the value of a low Canadian dollar. On the importing side, if we're importing to export, how does the Canadian dollar impact our companies, if we have a low Canadian dollar and they're importing as part of their business?

Ms. Joy Nott: A low Canadian dollar, I think it goes without saying, helps on the export side. On the import side of the house, as long as the dollar remains stable and is not in a free fall, as it was a few months ago—that's a very disquieting circumstance.... As long as it remains relatively stable, a low Canadian dollar doesn't actually negatively impact imports, because you can plan what your cost needs to be in your spreadsheet and you move on, and it actually enhances your export sales.

One thing that I think is important to understand, though, is that on the import side of the house, import policy in Canada over the past, I'm going to say, seven to 10 years has actually been quite hostile towards importers. There's a pending Federal Court case called Bri-Chem that is being very widely watched by all importers, because it speaks directly to that direct hostility from the Canada Border Services Agency towards all importers.

Ms. Karen Ludwig: Thank you.

On that, Ms. De Silva, regarding importing, you have mentioned working directly with 50 businesses that export a business strategy. I really commend you for the work you've done with it and for its successes.

In the early 2000s, when I was involved in this, many people relied on and wanted to jump into the export market based on the low Canadian dollar. That was their plan. When the dollar started to fall.... In our own business, for example, we import "one side polished" slabs of marble and granite, and it's great on the exporting side. On the importing side, when the dollar falls to 64¢ you can't offset all those costs to your customers.

With your expert business strategies, most often was it a direct export, an indirect export? Were there many times when you were working with a business and they just weren't ready to export?

• (0850)

Ms. Jan De Silva: There are examples of some companies that have come through saying that at this point they're just not ready. We're continuing to work with them, and over time we'll see whether we'll navigate it.

The one thing I did want to say about the program is, please think of Toronto as a kind of pilot site. I am in discussions. I know Vancouver Board of Trade and Calgary Chamber of Commerce were looking at rolling it out there. We've also had some discussions with Deputy Minister Hogan about the potential of creating this as a national program, because quite frankly we would love to see more Canadian businesses take advantage of growth markets.

Ms. Karen Ludwig: Mr. Johns, 98% of businesses in Canada are small to medium. We've heard a number of times across the country about the risk of currency manipulation. What advice would you, as a representative of a large company, give to a small to medium-sized enterprise to mitigate the risk regarding currency manipulation?

Mr. Sean Johns: You have my apologies. I don't think I'm in a position to answer that effectively and provide advice to them.

Ms. Karen Ludwig: Is there anyone else on the panel?

Ms. Jan De Silva: I was just going to say that, in the way the TAP works, we have three major corporate sponsors that fund it and that identify and nominate clients in, one of which is RBC. They're quite involved in helping with currency strategies and export-related strategies as well, from a financial perspective. EDC is also quite actively involved with us.

Ms. Karen Ludwig: Okay, thank you.

Ms. Joy Nott: I would just throw in there that I think many small to medium-sized companies still question and become confused about the difference between BDC and EDC. There's confusion around the two. In direct answer to your question, I think EDC can help small companies with hedging strategies and stuff for currency, but small companies often don't know that.

Ms. Karen Ludwig: The other big concern we've heard across the country, which I've also heard from constituents, is regarding human rights and the environment. From a business perspective, how does that work? How do you rationalize comments and concerns about the risk to human rights in the host countries as well as the risk to the environment and the threat to environmental practices here?

Ms. Joy Nott: It's not something our members have ever brought to us as a concern. Going back to my earlier statement, the one thing they made very clear to me is that if TPP goes forward, we have to be in the game. They've never directly addressed that point. I'm sorry.

The Chair: Thank you. Your time is up, and I see that we have some more visitors in our audience.

Welcome.

Now we're going to move on to Mr. Van Kesteren for five minutes, for the Conservative Party.

Go ahead.

Mr. Dave Van Kesteren (Chatham-Kent—Leamington, CPC): Thank you, Mr. Chair. Thank you all for being here.

Mr. Johns, what a story. What did I hear? Was it \$32 billion in sales in 29 countries. That's not bad for an immigrant who started in his garage. I think he was getting up in years, too.

Mr. Sean Johns: He certainly was when he left, yes.

Mr. Dave Van Kesteren: Yes. It's an incredible story.

Mr. Hennessy, how many companies do you represent?

Mr. Mark Hennessy: I actually would not know the answer to that question. I can get it to you, though, and to the rest of the committee members.

Mr. Dave Van Kesteren: Do you have any idea?

Mr. Mark Hennessy: I'm sorry, no. The number of sectors and employers we cover is just far too numerous.

Mr. Dave Van Kesteren: Do you have any idea how many of them would have started like the Stronachs' enterprise?

Mr. Mark Hennessy: No, I don't, I'm sorry.

Mr. Dave Van Kesteren: I can save you the bother: every one of them. Every one of them started in the imagination of somebody who had an idea and needed the ability to take that idea to the marketplace.

I have to tell you that almost without exception every one of those companies—and many these companies are small, but many of them are absolutely huge—have told this committee that it's not only something that they want to see, but it's imperative that open markets.... It's how the system works actually. It's a free market system that has raised literally billions of people from poverty, which means that today they're able to enjoy things here in this country too. As I said, without exception these companies are telling this committee, the very companies you represent, that this is important for them.

How do you square that hole? I'm curious how you come to the conclusion that this is not a good idea.

•(0855)

Mr. Mark Hennessy: Well, it came from our members originally, especially the poultry members, so—

Mr. Dave Van Kesteren: Have you polled your members, though?

Mr. Mark Hennessy: Yes. It came through our steward bodies, and those folks who started to bring it out wanted an analysis done on it, so we started the work. They raised concerns. We also had concerns, as I mentioned before and as the poultry sector had mentioned, that should the TPP go forward, they would seriously have to consider whether to remain here, whether they need to remain here to maintain or expand their bottom lines and that sort of thing.

Mr. Dave Van Kesteren: As a nation, we know this, we have studied this, and it's not something for which we've come to a conclusion recently. We know that we are a trading nation. We know that we produce much more than what we consume, and we need those markets.

What other alternative would you have? What would you offer your people if we didn't have those markets, if we couldn't expand those markets, and if we couldn't encourage people like Mr. Stronach to endeavour on an enterprise that would hire more people and would expand those possibilities? What would you tell them? What would your alternative be?

Mr. Mark Hennessy: Right now we would say it's status quo at this point. We understand we do have to have trade. We understand we have to be competitive in other markets. We understand we would work with those employers to help that.

We're looking for more fair trade and an approach where there's a commitment to keeping the work here in Canada, keeping our members' jobs in place, and keeping those communities viable. That's where we are.

Mr. Dave Van Kesteren: I'll go back to you, Mr. Johns. It's been asked whether or not this would expand to more possibilities on this continent, specifically here in Canada. What opportunities are you seeing? When Magna started there were just a few components you were creating. What other possibilities...where are you moving as a corporation? What's on the horizon?

Mr. Sean Johns: I'm not sure we still use this, but historically we've been the most diversified automotive parts supplier. We cover pretty much the entire value chain aside from a few small sectors like tires, windshield glass, and so on. Today we're in a position where we're looking at how to optimize the businesses we're in. We are seeing that electronics are an enormous opportunity for us moving forward. A high percentage of our employees relatively are focused on our production operations, but we have an engineering staff of approximately 10,000 people, and so the complexity of things is moving upwards. Our opportunities are not just in parts, but we've moved heavily into modules and big systems. Electrification is what's driving a lot of things across all of our products today.

The Chair: Thank you, sir. That wraps up the time.

We have time for two slots of three minutes each, and we're going to Madam Lapointe for three minutes and then Mr. Hoback for three minutes.

Go ahead, Madam Lapointe.

[*Translation*]

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Good morning and welcome. Thank you for joining us this morning. I find your contribution very useful.

Ms. De Silva, a little earlier, you mentioned something very interesting. You talked about the accelerator program for exporters. My colleague talked about it a little. Would you like to add anything so that we can include it in our recorded information? You talked about a national program. If possible, could you elaborate on that a little?

[*English*]

Ms. Jan De Silva: We're currently in discussions with the corporate partners who have helped us build this program about taking this nationally. What that would look like is we would continue to operate it using the platform we have created, which is this 90-day program, plus we have a former member of our Canadian trade commissioner service who works in our office and who does hand-holding support with the companies to get them through their planning process. The intention would be to run some pilots at different cities across Canada with that same platform, and see if we can then help those boards of trade or chambers get staffed to be able to support it as an ongoing program.

•(0900)

[*Translation*]

Ms. Linda Lapointe: Thank you.

During the consultations, we have repeatedly heard that the SMEs are limited and that they don't know how to establish themselves on the export market. The chambers of commerce have no idea what to do. They need training. The businesses need training as much as the chambers of commerce need support.

If a new round of negotiations were to be held, what would you like to see changed in the TPP?

[English]

Ms. Jan De Silva: I would say, from a change perspective, there is nothing we have identified. I would tap more of the industry sector expertise on that. We're focusing more at looking at it from the business community perspective, and how do we take advantage of all these growth markets. I wouldn't be able to comment specifically on a change in TPP.

[Translation]

Ms. Linda Lapointe: That's good.

Ms. Nott, do you have something to suggest? You said that we absolutely must participate. If we were able to renegotiate, what changes would you like to see?

[English]

Ms. Joy Nott: I would have to agree with what Ms. De Silva was saying in that we look at it from more of a macro sampling, from that perspective. We represent so many different industry sectors. We know at one point in time there was definitely concern in the automotive sector, and we worked closely with our automotive partners during the negotiations when that was raised as a concern.

Earlier I heard some of the concerns when it comes to food, but our members tell us a positive story. They're very much hoping that TPP comes through, because when you start talking about food, the Canadian brand is extremely valuable.

Globally when you start talking about Canadian food, it's perceived as being healthy, nutritious, and high quality. Whether or not we deserve that reputation is a different story, but that's the perception, and our food members, who make up a large percentage of our membership, are hopeful this deal goes through. I don't have any specific points where we need to renegotiate.

The Chair: Thank you.

That ended at three minutes, and we're going to wrap it up here.

Mr. Hoback, three minutes, go ahead, sir.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair, and thank you, witnesses, here this morning.

Ms. Nott, you talked about the fact that during the negotiations you're consulting with your members about things that are coming forward. For example, auto parts manufacturers said you talked to them, tried to explain it, and worked with them as this agreement moved forward.

Can you talk quickly about that process? Do you feel you're involved in the process?

Ms. Joy Nott: I would defer to the industry trade sectors that were in that. We were consulted and conferred with relative to some of the rules, specific things, and what our thoughts were, and we gave those thoughts to our members.

One sector we also consulted with, aside from automotive, was oil and gas. The oil and gas industry sector is pleased with the rules of origin that are in TPP, which are different from the rules of origin for their sector that are in NAFTA.

It's one of those things. NAFTA was a great agreement. It's 20-odd years old now, and it's a different world. TPP addresses and corrects

some of those issues, so I know the oil and gas industry is very much keeping its fingers crossed that TPP goes through.

Mr. Randy Hoback: Okay.

You made a comment that concerns me. Eighteen months ago, you polled your members, and they thought this was a done deal. They knew this was going forward, they were starting to bank on it, and now they're questioning things. I understand what's going on across the line and the rhetoric that's there.

I'm curious, are they also concerned because there's no leadership being shown on this side of the border on TPP?

Ms. Joy Nott: I don't think so.

What I'm about to say is going to sound un-Canadian, and I don't mean it to sound that way.

For the most part in Canada, my members feel—specifically, because those are the only ones I can speak to—when we're sitting at the table that we're not one of the most powerful players. We're not Japan, and we're not the United States. A perfect example of that would be there are sidebar negotiations that happen, such as the automotive deal, where Canada finds out about post discussion.

We know that we're not the biggest hammer at the table. That being said, in the TPP we're also not the smallest hammer at the table. There's definitely a feeling that—which leads to the comments I was making—we need to be there. No matter what, we need to be there.

Mr. Randy Hoback: You need that multilateral strength to have the leverage with some of these big players. Is that fair to say?

Ms. Joy Nott: That is correct about being left out. If the United States and Mexico were part of the deal, and Canada steps aside for any reason, that's when you start to hear pessimism as to what the potential future is. NAFTA does not equal TPP, and TPP does not equal NAFTA. They are not interchangeable.

● (0905)

Mr. Randy Hoback: Ms. De Silva, I'll give you a bouquet, because that's interesting what you're doing here in Toronto. Half a billion dollars in sales is what, 5,000 jobs in the Toronto region? It's huge. It's a major factor.

If you don't have market access, is it worth doing?

Ms. Jan De Silva: I think there are two ways to answer that.

Number one, there are gross markets out there that are not just the U.S., and I think the important thing about these agreements is that they give us preferential access.

Number two, it raises awareness when businesses are hearing about TPP. What does that mean for them? What are the markets that matter? Is that a good fit for my sector? There's that piece of it as well.

It's the preferential access that's important, and the fact there are tremendous growth markets out there that are not just the U.S.

The Chair: Thank you.

Sorry, Mr. Hoback, I know you were on a roll there, but your time is up.

Those are good questions. It's a great panel here for the first panel and great witnesses. Thank you for coming, and for your comments, and for the good dialogue you had with the MPs. When we get our report done, you will get a copy of it. It'll take us a little while yet, because we still have a lot of interaction to do.

Thank you very much.

We're going to break for 10 minutes, folks, and we'll get back at it with the second panel.

• (0905) _____ (Pause) _____

• (0915)

The Chair: Welcome, everybody.

This is our second panel this morning of our dialogue on the TPP.

With us on our second panel we have three panellists and three different groups. The first one is from the Canadian Environmental Law Association. We also have the Canadian Music Publishers Association and UPS Canada.

Without further ado, we're going to start, and maybe we can start with Ms. Wilson. Do you want to speak for five minutes?

• (0920)

Ms. Jacqueline Wilson (Counsel, Canadian Environmental Law Association): My name is Jacqueline Wilson. I'm a lawyer with the Canadian Environmental Law Association. We are an Ontario legal aid clinic specializing in environmental law and policy, and we have a long history of analysis of the environmental implications of trade agreements.

I'm going to focus my presentation today on two issues to do with the environment chapter of the TPP. The first issue is the weak and unenforceable language throughout the chapter, and the second issue is the dispute mechanisms, both the state-to-state dispute mechanisms and the citizen dispute provisions.

I go into more detail about these two issues and other issues, including the limited coverage of the chapter, in a paper called, "Bait-and-Switch: The Trans-Pacific Partnership's Promised Environmental Protections Do Not Deliver", which is available on the Canadian Environmental Law Association's website and the Canadian Centre for Policy Alternatives' website.

Our conclusion after analyzing the environment chapter is that it does not safeguard the environment or promote effective environmental protections. It's not going to counteract the negative environmental implications of other provisions of the TPP, including the investor-state dispute settlement provisions. The vague and

discretionary language in the environment chapter is exemplified by the general commitments section, which allows each party to determine its own levels of domestic environmental protection and its own environmental priorities. The overall principle reflected throughout the chapter is that state sovereignty is unviable if you're talking about setting levels of environmental protection.

That approach is to be compared with the fact that strong environmental measures taken by a TPP party, which might interfere with trade or investment, are exposed to challenge under the investment chapter.

Article 20.15 of the environment chapter is also of particular concern. It deals with the transition to a low emissions and resilient economy. In a fairly shocking act of climate change denial, the words "climate change" aren't used in this section, or at all in the TPP. Instead the TPP recognizes that each party's actions to transition to a low emissions economy should reflect domestic circumstances and capabilities. That's at odds with the government's commitment to take climate change action seriously, and its commitments in Paris.

The other specific article I want to bring to your attention in the environment chapter is article 20.10, which deals with corporate social responsibility. It raises significant equity issues because of the radical difference between the strong, enforceable rights for investors in the ISDS scheme, and the essentially meaningless requirements of this section, which asks each TPP party to encourage enterprises to voluntarily adopt principles of corporate social responsibility, and that's it.

In terms of the dispute resolution mechanisms, the primary weakness of the state-to-state dispute mechanism is that it depends on the political will of the parties to enforce the chapter. That's an approach we've seen before in trade agreements, and it hasn't worked.

The system includes three levels of confidential consultations, so the public won't know that those consultations are taking place. If the dispute settlement provisions are used—which hasn't been the case in the past, and there is no real reason to think things will change with this agreement—then public participation is not assured. The arbitration panel must consider requests to participate only for non-governmental entities or persons in one of the disputing parties, and it's only written submissions. The documentary disclosure provisions are quite limited, so the TPP parties are asked to make best efforts to release written submissions and oral submissions as soon as possible. There is no specific timeline.

Article 28.13(d)(ii) contemplates that some documents won't be released until right before the final report is issued.

The Chair: Ms. Wilson, you have half a minute to wrap up, please.

Ms. Jacqueline Wilson: The citizen complaint provisions are also quite weak. Again, only a person of a party can challenge its own government's implementation, it is only by written submissions, and the TPP party is only required to respond “in a timely manner”. Once that response takes place, there's no opportunity for the citizen to follow up. It would take a TPP party to take up the complaint and request that the environment committee continue to review it.

Our analysis here is that the environment chapter doesn't protect the environment, it won't likely be enforced, and it's not nearly strong enough to counteract the environmentally detrimental provisions elsewhere in the TPP.

Thank you.

• (0925)

The Chair: Thank you.

We're going to move over to the Canadian Music Publishers Association, Mr. Hutton, for five minutes.

Go ahead, sir.

Mr. Robert Hutton (Executive Director, Canadian Music Publishers Association): Thank you, Mr. Chair. Thank you for having me today. I appreciate it.

Music publishers are businesses that own, administer, and control the rights to musical compositions. These compositions are the foundation of the entire music industry. The music industry in Canada represents more than \$4 billion of economic activity annually. A recording is an end; a live performance is an event; but without a musical composition, neither of them can take place. There are no music recordings without a composition; there are no live performances without a composition; there are no jingles on advertisements; there are no soundtracks to movies. There is nothing in the industry.

Therefore, the music publisher has perhaps one of the biggest interests in the IP provisions of the TPP, and certainly in the term extension provisions in the TPP, because they own and administer that musical intellectual property. It's the bedrock of the entire music industry.

We will primarily focus our comments today on the term extension provisions of the TPP. We know that they have been very

controversial. We know that there have been some strong opinions expressed. We hope to perhaps debunk a few of the opinions that have come before you.

We have no opinion on the broader provisions of the TPP; that's not our issue. Our goal is to address those misconceptions and some misrepresentations by people we may best describe as copy fighters, which is an interesting term.

First of all, there's a myth that extending copyright terms will be costly to consumers. That is in fact not the case at all. It will not cost the consumer, at least not the consumer of musical works. It won't cost them one cent. The New Zealand and Australian studies that have been cited are based on a 20th-century consumer “packaged goods” model of music consumption that frankly no longer exists and certainly, by the time term extension really has any meaningful impact, won't exist at all. It's 2016. That's the environment we operate in, and those models are based on people continuing to purchase music as a physical product in a store or online.

Third, extending term is not about the heirs. It's not about “life plus 50” or “life plus 70” and some music writer's great-great grandchildren by their third marriage getting a whole windfall of money. That's certainly not the case. It's about creating a secure financial instrument for music publishers—Canadian companies—to invest in. Extending the term increases the value of that financial instrument, which they can leverage to invest.

Music publishers, that are mostly affected by term extension, are investing in Canadian artists—Canadian songwriters in the Canadian industry—and term extension gives them an instrument with which they can invest further. Publishers invest more in talent development than any other element of the music industry, including record labels. Term extension gives that asset greater long-term value to leverage and invest.

You've probably heard that term extension will make it more difficult for the next generation to create new works. We don't understand how extending the pool of investment capital available could possibly do that. It's just counterintuitive. It does not.

We've heard about DRM provisions that could possibly block experimentation and innovation. Well, they do block innovation that's based on intellectual property theft; they absolutely do that. That's not innovation, no matter how much the average consumer may like easy, convenient, free access to the contents that such innovators exploit. The fact is, DRM enhances investment in that same intellectual property that the innovator in every case basically wishes to exploit for free.

The Chair: You have half a minute, sir, to wrap it up.

Mr. Robert Hutton: I will try to be fast.

The elephant in the room is the notion advanced that consumers will suffer. This is simply false. The physical scale model has been replaced by a streaming model. Buying music will be supplanted long before any hypothetical consumer impact takes place.

The Canadian business model is based on investment at the bottom level, and music publishers are doing that. Today we can buy a song from a wide variety of sources for 60¢. There's no reason to believe that extending term provision will have any meaningful impact on a consumer. It enhances the ability of Canadian companies to invest in developing Canadian culture further over the long term.

Thank you very much Mr. Chairman.

• (0930)

The Chair: Thank you, sir.

We're going to move on now to UPS Canada.

Ms. Falcone, go ahead, for five minutes.

Ms. Cristina Falcone (Vice-President, Public Affairs, UPS Canada): Thank you, Mr. Chair, and committee members.

Good morning. My name is Cristina Falcone, and I am honoured to be here to testify on behalf of UPS Canada, our over 12,000 employees, and the thousands of businesses and consumers we serve across the country.

As a global logistics company, UPS has watched businesses grow from tiny home operations to companies with formidable reach outside their borders. For Canada, like other countries, the new digital economy is shaping the way we do business, and with that comes a tremendous amount of potential to tap into markets and production chains all over the world.

At the same time the global trade economy grows, there is a pressure on Canada to stay relevant. The majority of the world's growth is happening outside of the Canadian border, and that isn't going to change. Canada is facing a significant aging population whose consumption tends to drop after retirement. In addition, as witnesses stated this morning, the role of imports to Canada for Canadian manufacturers and business is just as important and impactful as exports.

Compare this with Asia, where by 2030 there will be 2.7 billion middle-class consumers. For Canada, one of the main attractions of the TPP is enhanced trade access to emerging dynamic markets. As emerging market consumers enter the middle class, they become interested in purchasing the goods and services that Canada has to offer, including energy and food products, as well as financial, business, and construction services.

TPP is a comprehensive and modern international trade agreement that will give Canada the competitive edge it needs, offering Canadian companies preferential access to a market of 792 million people, and close to 40% of the world's economy. TPP countries comprise some of the fastest growing markets in the world, as well as two of the world's three largest economies. We see this as a key opportunity.

UPS is the lead partner and mentor in the Toronto Region Board of Trade's trade accelerator program, which you heard about this morning, as well as other similar programs in conjunction with the Canadian Manufacturers and Exporters, and Startup Canada. In the past six months, UPS has delivered go global boot camps in over seven locations across Canada. Our model is to clearly communicate the provisions of trade agreements and global purchasing trends, and help companies use these changes and information to gain market advantage.

TPP will begin to open doors for smaller players across all the member countries. Without TPP, we could eventually find ourselves on the outside looking in. As emerging markets take their places at the table, global trading is taking on a shape the world has never seen before.

At UPS we operate around the world, and as supply chains become increasingly global, we see that North America, South America, Europe, and Asia will be important all at the same time. If Canada wants to compete in that world seamlessly, including maintaining our important trade relationships with the United States and Mexico, and with leverage, TPP must be approved.

I've touched on why this deal is important for access, but the content of the agreement is equally important. It will bring much needed modernization to international trade policy. It is a deal custom crafted to the opportunities and demands of a networked world.

It eliminates thousands of taxes in the form of tariffs, making Canadian businesses more competitive. It was built for the needs of digital commerce, with the standards to make sure trade rules recognize the power of growth and the special demand of an increasingly interconnected consumer-driven world. Importantly, it cleans out the clutter at customs, with fewer documents and more electronic processes and clearance, to help goods pass through customs more easily and get to customers faster.

For the first time in any trade agreement, it has a chapter devoted exclusively to small business. The Internet has turned the barriers to SMEs reaching global markets into on-ramps, but what technology offers, outmoded border processes often deny. Opaque regulations, complex paperwork, and slow delivery of small shipments all conspire to cause SMEs not to venture across borders. At UPS we have seen that even small companies, once they decide to move beyond their borders, grow at faster rates and often become our largest customers that we service in Canada. The agreement addresses many of the issues with customs clearance certainty, alignment of regulations, and national treatment, which will begin to open doors for small to medium-sized businesses in Canada, letting them drive growth and create jobs.

With the TPP, Canada has the opportunity to expand its economic partnerships. We also have the opportunity to shape the rules now that will govern trade relationships in the 21st century. One thing is certain, while we review the provisions of this trade agreement, and weigh the risks and the benefits, global commerce won't hit the pause button.

• (0935)

The Chair: You have about half a minute. Go ahead, if you want to wrap up some comments.

Ms. Cristina Falcone: As we're reviewing all these provisions, global commerce continues. It is our opinion that we need to expedite the opportunity to enable small businesses to grow.

The Chair: Thank you.

Thank you, panellists, for being on time.

Moving on, we're going to now have some dialogue with the MPs. We're going to start off with the first five minutes going to the Conservative party, with Mr. Hoback.

Go ahead, sir.

Mr. Randy Hoback: Thank you, Chair.

Thank you witnesses.

Ms. Falcone, you touched on something that maybe we haven't talked enough about, the actual process of taking stuff across the border and the paperwork and the ability to get goods shipped in a speedy fashion. We had fruit producers before us yesterday saying that it was vital to their industry that they not have a shipment of lettuce get held up at a border for a week or two because of improper paperwork or just the functionality of the border.

How does TPP assist you in making sure that Canadian goods that are bought—you used the example of Internet goods, small goods, small manufacturers shipping stuff across the world into TPP countries.... How does it make it easier for them to get their goods into other areas?

Ms. Cristina Falcone: We call this the modern trade agreement because it is addressing many issues that previous agreements did not, including NAFTA. There's a lot of work right now with the Beyond the Border agreement and various working groups to address what wasn't included in NAFTA, because commerce has changed. There's actually a whole new customs chapter in this agreement that addresses many of these issues.

For example, electronic pre-arrival processing and clearance goes beyond the WTO trade facilitation agreement, which only commits parties to pre-arrival processing of information. That gives the certainty that by the time a shipment has arrived at the border, it has been cleared. It gets rid of that holdup...time release guarantees. We always look at customs provisions in terms of how they are going to make Canadian companies more competitive in the markets we're competing with. Having that time release gives them time-in-transit advantage.

Also, there is a *de minimis* provision in this as well whereby each country is going to look at what the threshold is that they set as duty- and tax-free and come up with an economically viable figure for it. This helps with the low-value, smaller shipments, which we often seek from small businesses as an entryway, selling online. We work with Mompreneurs; we work with various companies, such as eBay Canada, that are starting businesses from their homes. It's often these low-value shipments that, when they get caught up, can make a difference to their success or otherwise.

Mr. Randy Hoback: When you looked at the history of the customers you have here in Canada, you made a comment about how you've seen them grow and how exports have driven that. Can you give us a couple of examples of these?

Ms. Cristina Falcone: Sure. I won't name them, but I can give you an example of recent companies that we've met with.

We had one recently speak to management at our organization. It's a tea company. They're tea manufacturers, and they started in their home. Then they started to expand beyond their borders and now they're shipping all over the world.

One example he gave was that they actually had to pull out of selling into Australia because of customs issues and market entry issues. We asked them what the key markets they were looking at were, in terms of growth. They were Chile, Peru, Australia. This is one example of how the provisions in this customs chapter in the agreement can help this already successful company grow even further.

Other organizations that we've helped started in the basement of their company: fine scents, ranging from even gluten-free products and food to a company in Alberta....

The main thing we ask them is what is hindering their success. It's the non-tariff barriers, as we've heard from other witnesses this morning. That's why we place such a strong focus on that.

TPP does certainly reduce tariffs in key markets such as Vietnam and Malaysia, but it's really those non-tariff barriers that are going to help the SMEs grow. It's the non-tariff barriers that cause them to pull back from global trade when they receive that heads up, because they don't have the resources to deal with the issues.

Mr. Randy Hoback: On those non-tariff trade barriers, then, in TPP we have a mechanism to deal with those situations, if something should come up. Is that correct?

Ms. Cristina Falcone: There are provisions in there to prevent those barriers from happening in the first place—the friction.

• (0940)

Mr. Randy Hoback: Mr. Hutton, concerning IP protection we heard a witness in Quebec City saying that we shouldn't worry about life plus 70, because that's the norm throughout the world now.

Is that a fair comment? Would you agree with it?

Mr. Robert Hutton: Absolutely.

As a matter of fact, the Organisation for Economic Co-operation and Development worldwide has cited Canada as one of the weakest jurisdictions for IP protection, purely because life plus 70 isn't in effect in Canada.

Mr. Randy Hoback: Do you know what “freedom to operate” means?

Mr. Robert Hutton: Yes

Mr. Randy Hoback: Do you believe in freedom to operate?

The Chair: Mr. Hoback, you have 15 seconds left.

Mr. Randy Hoback: As far as freedom to operate, do you believe that should be a policy Canada should have?

Mr. Robert Hutton: In what context, sir?

Mr. Randy Hoback: To me, when I look at freedom to operate, I call it freedom to steal. Some people are saying we should have everything open so other companies can take that knowledge, apply it to whatever they're building, and build their sector—

Mr. Robert Hutton: Sir, my music publisher's opinion is that freedom to operate is not freedom to utilize somebody else's intellectual property to your advantage without compensation to the creators and originators of that intellectual property.

The Chair: Thank you, sir.

We're going to move over to the Liberal Party for five minutes. Mr. Fonseca, you have the floor.

Mr. Peter Fonseca: Thank you, Chair.

Thank you to the witnesses for their excellent presentations.

As I was listening, all three of you were talking through the lens of what the impact would be, good or bad, for the environment, for IP, and for logistics. Mr. Hutton has mentioned that's the only way he will look at this agreement, and he was not looking at it in a holistic way.

As parliamentarians, our job is to look at it holistically. As we're looking at it, some of the key factors in terms of our decision-making will be an increase of good paying jobs here in Canada, an increase in trade, and the opening up of markets around the world.

My question, Ms. Falcone, is this: Has UPS looked at how many jobs the TPP would bring to Canada through UPS?

Ms. Cristina Falcone: I don't have jobs related to the TPP specifically, but what I can tell you is that at UPS, every 22 packages that cross the border create or sustain a job at our company. We've

certainly seen patterns that once a trade agreement is signed, we see growth in our volume, which leads us to expand our facilities and to add jobs across all areas, including teamster jobs and management positions. Trade, to us, definitely has a correlation with growth. As I mentioned before, with small businesses and larger organizations, we see companies that trade beyond Canada grow at a faster rate than those that don't.

Mr. Peter Fonseca: You can't quantify that with a number.

Ms. Cristina Falcone: I can't quantify specifically to this agreement. We are looking through analysis on projected growth of volume.

Mr. Peter Fonseca: Thank you.

Mr. Hutton, do you see an increase in jobs through the provision around IP and increasing that from 50 to 70 years? How would that help in terms of job growth?

Mr. Robert Hutton: That's a great question. I would answer you by saying we have to look at how many jobs will be lost if we don't, more so than jobs that are created. Our members are trying to sell products into foreign markets. It's the only growth market for our members, by selling musical compositions to TV pilots and movies, into foreign markets, and so on. It's difficult to do so when you're on a different basis in protecting that intellectual property than for those markets you're selling them into. We have to look at the reality that if we don't create that financial instrument to continue investing, will people start leaving the market because they're not being compensated sufficiently for the work they create?

I'm not trying to be evasive on your question, but I'm putting it back to you saying that we'll lose a lot of jobs if we don't look at this.

Mr. Peter Fonseca: The TPP first started to be negotiated with a number of countries in 2006. Canada was late to the game. We got in three years or four years ago. We were one of the last three countries to get involved in the TPP and to be at the table.

Where we are right now, it doesn't seem like anybody has any urgency to ratify the TPP. That's what we're finding globally with the 12 countries that are signatories to the TPP. Do you have an understanding of why that would be, Ms. Wilson?

Ms. Jacqueline Wilson: In terms of the timing, I don't have an opinion on why that is, but I think this means we have the opportunity to take a look per chapter at what this is going to mean. For something like the environment, we need to go through it line by line, see what's protected, and notice how weak this chapter is and how little impact this chapter is going to have to protect the environment.

● (0945)

Mr. Peter Fonseca: How would you improve it? What would you suggest as changes to that chapter, if you had that opportunity?

Ms. Jacqueline Wilson: The first main issue is the language. It's weak, and it provides a lot of discretion. I'll give you an example.

In article 20.5 it talks about the protection of the ozone layer. What the chapter does is use words like "recognizing that emissions of certain substances can significantly deplete the ozone layer", and "recognizing the importance of public participation, but in accordance with the parties' systems of participation already in place". It commits the parties only to take measures to control the production and consumption of trade in ozone-depleting substances. We need a ban. It's too weak. Saying you should take measures is not well defined enough to control the trade of ozone-depleting substances. There should be a ban on those trades.

The Chair: Thank you.

That wraps up your time, Ms. Fonseca.

We're going to move over to the NDP now, for five minutes.

Ms. Ramsey.

Ms. Tracey Ramsey: Thank you so much for your presentations this morning.

Jacqueline, you bring an interesting perspective that we haven't heard. It's a very important piece that we sit and talk about because everything we're discussing relies upon this planet and relies upon keeping our natural resources in Canada, including our water, and having protection around those. We know the ISDS provisions have serious implications for us, as parliamentarians. In being able to enact legislation to protect them, we could be sued under ISDS. In trying to follow through with signing onto the climate change accord in Paris, we could end up being sued by corporations that view that as a threat to their profits.

Do you think we'll be able to reach the climate goals we have signed onto in Paris, if we sign the TPP?

Ms. Jacqueline Wilson: This is going to be a barrier to taking strong action on climate change. What provisions like the ISDS provisions put in place is an assumption the status quo is working. We know for something like climate change it's not. If we take strong action, which we need to and we're committed to do, those are exactly the types of measures that can be challenged under the ISDS provisions, and that's going to be a problem.

Ms. Tracey Ramsey: Yes, it's going to be a huge problem for all of us, and the government that signed us on, to say we take this seriously and we're going to do this. All Canadians want this to happen. We need to address this. We had a 20-year-old before our committee yesterday saying, "You're erasing hope by signing the TPP. You're leaving a burden on our youth they won't be able to

overcome in signing this agreement". Regardless of the financial benefits, we have to look at the implication to our environment and people.

I'd like to ask Ms. Falcone a question. We had Jim Balsillie before the committee, from RIM, one of the greatest Canadian success stories we've had in innovation and technology, with its ability to tap into a global market, as well. He said there's nothing in the TPP that specifically advances any Canadian companies, and he stressed how the ISDS provisions in the structure are a seismic loss of autonomy and authority. Do you agree with that statement?

Ms. Cristina Falcone: I would say UPS works closely with groups like the Canadian Manufacturers and Exporters, that are in support of this agreement, and are made up of members that are producing goods in Canada and exporting. As I mentioned earlier, it does address digital commerce, and in our view the innovation agenda ties strongly to small business and the ability of Canadian companies to leverage the Internet to sell—

Ms. Tracey Ramsey: He also told us we would never see another Canadian success story like RIM, or an innovation, if we signed the TPP. He spoke in opposition to the TPP innovation chapters, but the question specifically is about ISDS. Has your organization looked at the implications it would have on those Canadians you say you employ? Their health costs would go up, their pharmaceutical costs would go up, and under ISDS provisions we could be sued for trying to implement a pharmacare program. Is that part of what you take into account when you're looking at the TPP?

Ms. Cristina Falcone: We look at all of this, and the competitive or disadvantage to organizations. I would say Canada has the same provisions as it is seeking to compete with in these other countries. It's a provision they can also leverage. It's a fact of the matter of competition. If we look at it, there's the competition that is going to come into Canada regardless.

● (0950)

Ms. Tracey Ramsey: It has to be about people, too. It has to be about people, and it can't just be about what's good for corporations. There is the other aspect that you're a Canadian company—

Ms. Cristina Falcone: It also provides consumers access to—

Ms. Tracey Ramsey: Yes, you have workers in your company. Presumably you care about their livelihoods and their well-being. This is the balance of the TPP: out of the 30 chapters, it is the six that deal with traditional trade. It's the others that are concerning: the environmental chapters, the ISDS provisions, the others. When you look at the TPP, do you look at the entire agreement and say, "Okay, how will this impact me, as a Canadian, my family, my neighbours?" Or is it simply that you say, "This will advantage us in a business sense".

Ms. Cristina Falcone: We also service consumers. More and more of the percentage of the shipments we deliver, a high percentage, is going to consumers. We look at consumers as our customers versus years ago when it was just the businesses selling A to B. The agreement we see gives consumers advantage in terms of access to goods. The ISDS provisions, which could be a risk to Canadians, also have those equal advantages in terms of the other countries, and how Canada is going to protect them. I would say from us looking at it holistically, there's ISDS provisions also in NAFTA. It comes with part of the program with trade agreements. There's nothing in there that's different that we would say would put Canadians at a significant disadvantage or our employees.

The Chair: I'm sorry, Ms. Ramsay. Your time is up. We're going to have to move on to Mr. Peterson for five minutes.

Go ahead, sir.

Mr. Kyle Peterson: Thank you, Mr. Chair.

Thank you, everybody, for your presentations today.

It's nice to have a fellow lawyer on the panel, because we've heard a lot of talk about ISDS and, frankly, some of the positions are based on mischaracterization and misinformation on what the ISDS is meant to do. In fact, the ISDS will protect Canadians who have operation overseas as well, so it cuts both ways, like any trade agreement.

I'm not going to suggest that ISDS is not without some risk. There certainly is, but my understanding—and Ms. Wilson, maybe you can elaborate—is that in order to avail oneself of the ISDS provisions, one must be treated in a discriminatory way by a domestic corporation. A multinational can't just willy-nilly sue the Canadian government because they don't happen to like some regulation.

Do you agree with that assessment? Or do you think it's broader and that any corporation can sue the Canadian government or the provincial government because they're regulating trade?

Ms. Jacqueline Wilson: The way that ISDS has worked in the past—and will work again under the TPP—is that private tribunals looking at these issues are interpreting provisions in a way that gives very broad access to companies to sue the Canadian government. We've been, under NAFTA anyway, the most sued country, and I think the Bilcon case under NAFTA provides a good example.

In that case, an American company went through an independent environmental assessment process, a joint review panel out in Nova Scotia. Through a long process, the panel determined that it wasn't an appropriate project to go forward. They made that recommendation to the government. The government accepted that proposal. After that, the company turned to a NAFTA tribunal that wasn't well versed in our Canadian environmental assessment law and awarded

damages. So far, we don't know how much, because that part of the hearing hasn't gone forward yet, but Canada lost.

That's the kind of thing that we need to be very worried about, because the idea that they should have gone through the environmental assessment and it should have been a rubber stamp is obviously inappropriate. It's a real process. It should be a real process. ISDS is opening the door to a company's saying that it doesn't like how the environmental assessment process works.

Like a Canadian company, they could have done a judicial review here. Instead, what they get to do is go to a NAFTA panel, which isn't available to Canadian companies, and get money—a lot of money—for it.

Mr. Kyle Peterson: I've practised litigation for 10 years and, believe me, the judicial process isn't exactly necessarily the best way to settle disputes. There are many private dispute mechanisms in all aspects of life, such as family law. Most divorces are done through private dispute resolution now.

I don't think the private nature of it is necessarily the issue. There may be some more issues there, but I don't think we need to say that because it's a private dispute, it's bad. I don't necessarily think it is. In fact, I think it can be more efficient and we can get better results that way. That seems to be the case through other private dispute mechanisms. There's a lot of talk about ISDS by a lot of people who don't understand ISDS, and I'm happy to hear your input, because as a lawyer you clearly have a better appreciation of it than some others.

On the environment, I want to point you to article 20.4.1 of the TPP, which I'm sure you're familiar with. It's just one line, so I'll read it for you, just to make sure:

...each Party affirms its commitment to implement the multilateral environmental agreements to which it is a party.

From my understanding, wouldn't that reinforce the Paris agreement? If we were a party to it by the time this is ratified, wouldn't that reinforce our commitments to those environmental agreements? How can you say that it weakens it?

•(0955)

Ms. Jacqueline Wilson: The first thing to point out, as you were mentioning, is “to which” they are “a party”, right? It's not providing any new standards. It's not requiring the parties of this agreement to meet any standard that they haven't already signed on to.

Mr. Kyle Peterson: But specifically, you said that the Paris agreement would be watered down. To me, this seems to actually bolster our commitment to those commitments.

Ms. Jacqueline Wilson: I think the Paris agreement and any climate change action is going to be watered down, based on ISDS and based on other parts of this trade agreement, which would put in place barriers to taking strong climate action here in Canada. It's not necessarily this section that's going to do that. It simply affirms our commitment in a way that I don't think has a lot of legal meaning, because we already have a commitment through other agreements.

The Chair: You have half a minute, sir.

Mr. Kyle Peterson: Mr. Hutton, I appreciate what you're doing. Just to elaborate, I think someone who owns IP, someone who creates, should be the person who profits from those creations. I appreciate what you're doing. Others who have testified before the committee think that everybody should have free access to any creation and everything should be free online or accessible, not just music, but other types of IP.

The Chair: You're going to have to be very quick.

Mr. Kyle Peterson: I'd appreciate your comment, Mr. Hutton. I think you're going to agree with me. Maybe I'll let you talk for 10 seconds on that point.

Mr. Robert Hutton: Yes, absolutely, I thoroughly agree with you. I think the notion in the world that we can access things online easily does not mean that we should be accessing them for free.

The reality is that, down the line, if we don't correct this issue, people won't be creating. The reality is that a creative society is not one that imports all its intellectual property; it's one that creates it. We need to have the environment that ensures people continue to create.

The Chair: Thank you.

That ends the first round. Starting off the second round, we have the Liberal Party and Madam Lapointe, for five minutes.

Go ahead.

[*Translation*]

Ms. Linda Lapointe: Good morning. Welcome.

I must say that you have made comments that we have not heard to date. I am really glad you are here.

Ms. Falcone, you said that a number of small businesses were working with UPS. Have you estimated how many of your clients are SMEs? Let's say that we skip five years and the TPP is a done deal. You said that, right now, your company is a logistics business that helps transport all the packages from both individuals and SMEs. Do you expect to have more SMEs as clients? Have you made any calculations or forecasts on that?

[*English*]

Ms. Cristina Falcone: We are in fact working towards that. Five years ago, folks would have looked at UPS and considered us a partner for big business only, UPS being a global transportation company. We've actually made a very focused effort to grow our market share with small and medium-sized businesses, but we're also seeing some good organic growth in terms of entrepreneurship.

About 98% of Canadian businesses are small businesses, I believe. That's why we've made the investment to really focus on partnering with these companies. A lot of them don't get the same attention that other organizations do to help them get started, so we've invested more resources in that.

Right now, it's not the largest percentage of our volume. Our goal is to grow the volume amongst those SMEs, tapping into that organic growth that's already happening, and also working with those that aren't getting what they need from their current service providers.

[*Translation*]

Ms. Linda Lapointe: Earlier, you said that you work with the Toronto Region Board of Trade. Did I understand correctly?

[*English*]

Ms. Cristina Falcone: We do. We are a lead member with their trade accelerator program, which Ms. De Silva spoke of this morning. We act as a mentor for the companies they've selected to nurture and educate on how to go global.

We also work with, as I mentioned, these other companies. Startup Canada is another great organization that's an incubator for very small businesses, micro-businesses, and we've been doing these go global boot camps with them.

•(1000)

[*Translation*]

Ms. Linda Lapointe: Earlier, we heard that 50 companies were probably targeted last November and that results could be noticed after 90 days. Have they started to export? Were you able to see that?

[*English*]

Ms. Cristina Falcone: Yes, we have seen some positive momentum there. Typically, the first country that companies export to is the U.S. You'll find that a lot of these companies start to engage there, but once that comfort level is achieved, they tend to go beyond those borders.

Also, a few years ago, we decided to make investments in facilities in Atlantic Canada. We opened up eight operations there. There is significant appetite on that coast in terms of new trade provisions that are going to lower the tariffs on seafood into Malaysia and Vietnam, for example, which are already purchasers of Canadian products. It's only going to elevate that. Again, that's for businesses of all sizes.

[*Translation*]

Ms. Linda Lapointe: Thank you.

Mr. Hutton, what you said this morning is very interesting in terms of increasing the copyright terms from 50 years to 70 years. You see only benefits from that.

You said that New Zealand and Australia did not see any costs for consumers. Do you have anything to support that, a study, for example, or would you like to make any additional comments?

[English]

Mr. Robert Hutton: I do not have any specific studies myself, but thank you for the question.

We have looked at those studies in New Zealand and Australia. They're purely based on the notion that term extension will cost consumers because they'll continue to pay for physical products that would otherwise have gone into the public domain. But this is not the case because the market is moving toward a streaming model, a rental model, an online model. People are no longer buying physical products. In the future, they will probably not be buying them at all.

The reality is that these pieces of intellectual property will exist online forever and somebody will be monetizing them forever, however this will not be a Canadian anymore. It will be a Spotify, a Tidal, an Apple that will be exploiting those products online, selling them or reaping the benefit of them from Canadian consumers but not putting any of that money back into the Canadian economy.

That is the fatal flaw of those studies. They don't recognize that this is the way the model works. They assume that 20 years from now we'll still be going to a store where we'll be buying a CD or a physical product, and that things that would otherwise have gone into the public domain won't be free then. I'm sorry but this is just a false notion. That's not the way the world is working.

The Chair: Thank you.

Thank you, Madame Lapointe. That wraps up your time.

We're going to move on to the Conservatives now for five minutes.

Mr. Ritz, you have the floor.

Hon. Gerry Ritz: Thank you, Mr. Chair.

Thank you for your presentations today.

Mr. Hutton, I totally agree with you. Everything is digitized now. I download to my iPod. I don't go in and buy the CD. I actually do it on the computer and so on. You're absolutely right that the world is

Mr. Robert Hutton: I certainly hope you're paying for it, sir.

Hon. Gerry Ritz: Absolutely, sometimes double. You guys need a little box that says I can actually leave a tip, because I really like some of these performers.

I agree with you on the point that the one thing we're not really looking at is that it's not just about the jobs created; it's about the jobs sustained and maintained, and the possibility of losing jobs. I thank you for that point.

Ms. Wilson, I want to follow up on what Mr. Peterson started. You said you're an Ontario entity?

Ms. Jacqueline Wilson: Yes, that's right.

Hon. Gerry Ritz: How big a shop do you run? How many lawyers do you have on staff?

Ms. Jacqueline Wilson: There are about five lawyers on staff.

Hon. Gerry Ritz: Good.

I take exception to this idea that somehow we can no longer drive our own agenda forward as a government. That's absolutely untrue. You're reading between the lines there and sort of making things up. Are you aware of how many TPP countries of the 12 haven't signed the Paris accord?

Ms. Jacqueline Wilson: I'm going to address your first point first, saying that it's not going to be a problem for challenging our sovereign action on the environment. I mentioned the Clayton-Bilcon case. That's one example but we've also seen other ISDS cases—

Hon. Gerry Ritz: That's under NAFTA. You also made the point that ISDS is not available to Canadian companies. That's not true. It's reciprocal.

Ms. Jacqueline Wilson: I didn't make that point, and I agree it's reciprocal so I didn't say that.

What I'm saying is that we've seen other examples of particular changes in policy being challenged. For instance, in Germany they decided to turn away from nuclear power and that was challenged under ISDS. That's an example where a policy choice was made and a foreign company was able to challenge that under the ISDS provisions.

You can see a similar situation here, where if we make a choice to change something big, to actually fight climate change and make an environmental change that will help, those types of big changes can be challenged by foreign companies.

•(1005)

Hon. Gerry Ritz: Yes, okay.

I go back to my question. Which TPP countries have not signed on to the Paris accord? You said we could not implement the Paris accord because of ISDS challenges. Which countries would then challenge us? We're specifically talking about the TPP here. Which countries have not signed on to the Paris accord that would take us to task?

Ms. Jacqueline Wilson: It's not about whether the country has signed on to the Paris accord. All these countries have, to my knowledge. It's about whether it can be challenged by a company when we take an action to implement it.

The ISDS we're talking about involves a foreign company, not a foreign government, challenging our actions. We have to make big changes to fulfill our Paris commitment. Once you make a change it can be challenged by foreign companies.

Hon. Gerry Ritz: Sure, but any company operating under that foreign jurisdiction has quasi-agreed to the Paris accord because the government has signed on its behalf. How would you then have a rogue company that would sue Canada specifically when it's listed as a company in Japan, which is very much focused on climate change as a lot of other countries are? The U.S. is. It's Obama's legacy. Australia and New Zealand, all of these countries are very much focused on climate change, as are we. I don't for a second buy the idea that somehow ISDS is going to be the catch-all for any rogue company that wants to sue Canada for whatever action. I just don't buy that.

Ms. Jacqueline Wilson: That analysis doesn't take into account how this will really work. Saying you're a company from a country that signed on to the Paris agreement doesn't mean that you won't—in fact, you probably will—use the ISDS provisions to challenge other governments' specific actions that you think are affecting your trade or investment for whatever reason. Being a company from Japan or being a company from the U.S. doesn't mean you can't use ISDS to challenge Canadian government action to fight climate change.

Hon. Gerry Ritz: I think you have a bit of—what am I going to call it—a laser view on certain things where it actually doesn't work that way. I'm not a lawyer like my friend Mr. Peterson, but the point is that to be actionable, it has to be that a government agreed to a certain thing, then changed their mind, and the company is out money, time, and so on. That's what they sue for. It's not just “We don't like what you're going to do on acid rain. We're going to sue you.” It has to be that a government put in regulations, told them it was okay to move ahead on this point, and they spent money and time on it. They allocated resources to it.

That's what they sue for. It's to cover off what they're not able to move forward on.

The Chair: I'm sorry, we only have 15 seconds, so please wrap up.

Ms. Jacqueline Wilson: Okay.

It could be something like that, though. A regulatory change is something that could be challenged, right?

Unless we're staying with the status quo, it can be challenged under these provisions.

A voice: [*Inaudible—Editor*]

The Chair: I know that sometimes we get in a fiery debate, and I think that's good, but sometimes we have to let each other have a little space here.

We'll move over to the Liberals for five minutes.

Ms. Ludwig, you have the floor.

Ms. Karen Ludwig: Thank you very much for your presentations, and thank you for bringing these issues forward. I think very few Canadians wouldn't be concerned particularly about the environment as well as intellectual property and the opportunity for business expansion.

Following up on Mr. Ritz's question, of the 175 countries that signed on to the Paris accord, yes, all of the 12 countries listed under the TPP did sign as well.

Let's say we ratify the agreement. If Canada holds the TPP member businesses to the same standards that we hold our domestic businesses, how likely will it be that the government would be sued under ISDS?

Ms. Jacqueline Wilson: I think it's very likely, because it's an opportunity available to foreign companies not available to Canadian companies. They have the opportunity to get huge amounts of damages, which aren't available.

My example of the Bilcon case is a good one. If it was a Canadian company that was upset with how the environmental assessment process worked, they would bring an application for judicial review through our court system. What would be available to them would be overturning the decision, or changing the decision, but they wouldn't get damages. It's not available to them. Instead, because it's a foreign company, they get to go to a private...if there are other problems with the system, or the way in which all the terms have been interpreted, then they get to ask for damages and get a lot of money.

So I think it's available to them, and they'll use it.

• (1010)

Ms. Karen Ludwig: I guess I maybe misunderstood. I thought that if Canada was holding foreign businesses to the same standard as domestic businesses, it would be unlikely that the government would be sued. I thought it was more so if Canada was holding the foreign entity to a different standard than a local entity.

Ms. Jacqueline Wilson: That's fine in theory. That's the theory of the terms, but we have to look at how these terms have been interpreted.

I'm sorry to harp on the Bilcon case, but what they said there was that they were treated differently. It was a specific environmental assessment process, so there were concerns in the analysis of that case about what they were comparing it to. How can you really compare two different environmental assessment processes looking at totally different projects? They won at the NAFTA tribunal.

So it's a little bit more complicated than saying, “Don't worry, if we treat everyone the same, it won't happen.” It's more complicated than that. We have to look at how it has really worked in the past.

Ms. Karen Ludwig: On that as well, if Australia, the United States, and Canada do ratify the TPP, and then there is the risk of breaching commitments made in other bilateral environmental agreements, why would the countries ratify at such a great risk?

Ms. Jacqueline Wilson: Can you explain your question?

Ms. Karen Ludwig: In terms of ratifying the agreement, and we either ratify or we don't ratify, when we stand the risk of breaching other agreements and other bilateral agreements that we've done previously, why put ourselves in that risk? Or is there that risk? Will we threaten other agreements?

Ms. Jacqueline Wilson: One of the issues that I didn't raise in my presentation that's also important is in terms of looking at the TPP and how you can enforce the environment chapter and what we've all agreed to.

One of the main issues is that the environmental breaches or the actions that are undermining environmental protections have to be shown to be in a way that undermines trade. It's not only about environmental protections. Under the TPP there's an additional requirement that you show that the way you've undermined your environmental laws is affecting trade. It's actually an extra barrier to enforcing even the standards, the weak ones that are in here, under the TPP.

Ms. Karen Ludwig: Is there also the opportunity for countries like Malaysia and Vietnam to improve their environmental practices based on a rising middle class, as we've seen in other countries?

Ms. Jacqueline Wilson: I don't think the terms of this agreement are going to encourage that. I think there's a much bigger risk of a race to the bottom.

Ms. Karen Ludwig: Is there a possibility? It's not through the terms of agreement; it's just how things evolve.

We have a great, wonderful luxury in countries like Canada to be able to put so much emphasis on the environment because, essentially, we're not starving. Historically, we've seen that as the level of income and quality of life of increases, countries also tend to increase their environmental and human rights standards.

Do you think that might be the case as well?

Ms. Jacqueline Wilson: I think there's a much higher risk here of environmental standards being undermined in countries that have stronger environmental records than the opposite.

The Chair: Thank you.

We're going to move back over to the Conservatives. We have time for five more minutes.

Mr. Van Kesteren, you have the floor.

Mr. Dave Van Kesteren: Thank you, Chair.

This is an interesting discussion. I think I want to keep on going in that direction.

Ms. Wilson, have you ever been to China?

Ms. Jacqueline Wilson: No, I haven't been to China.

Mr. Dave Van Kesteren: All right. It's worth a trip.

I remember the first time I went. I arrived in the Beijing airport, and as we were driving out, the air was so thick I really thought they burned tires there. I have been to places where they burn tires and it stinks pretty badly. I thought, "Wow this is amazing. They burn tires over here." I arrived in Beijing and after a day or so I suddenly realized, "This is the air."

Now at that particular time I think they were building—I don't know whether it's more or less; I hope it's less—a coal plant every two weeks. There were no scrubbers. They were just polluting the air. Things were pretty bad there.

We had somebody from the Marxist-Leninist group in Windsor, and the charge was that the United States was using this treaty as a way to supplant China's influence in the Middle East. In terms of trade, there's probably some truth to it. Obviously, they want the advantage. But as some of our colleagues have mentioned, this

agreement will force other countries to adopt the higher standards as the precedent.

In other words, we don't lower our standards. We raise our standards, and as a result, this forces countries like China...and you mentioned climate change. I would submit that the worst perpetrators are countries like China and India. Once we start to enact these provisions in an agreement like the TPP, this would force them to make those changes.

Would agree with a statement like that?

• (1015)

Ms. Jacqueline Wilson: I wouldn't.

Of course they aren't part of the TPP deal yet, but as I mentioned in my presentation, the overarching principle of the environment chapter is that parties have the sovereign right to establish their own levels of domestic environmental protection and environmental priorities, and to establish, adopt, and modify their environmental laws and policies accordingly.

That's in article 20.3, item 2—

Mr. Dave Van Kesteren: Well, you're a lawyer, and I can't argue with that.

I'm looking for an example. You mentioned Germany as an example where companies...but you know that one example was.... I don't know. I suspect, as Mr. Ritz pointed out, that there were some agreements made beforehand, but when the Germans moved towards eliminating nuclear power.... I mean, that's the one source of power that doesn't add to greenhouse gases.

Could you give us one example where it's been used by a corporation on a company so that it actually violates that nation's ability to enforce their environmental laws?

Ms. Jacqueline Wilson: First of all, just as an aside, we disagree with the analysis of nuclear power being a clean energy source.

Mr. Dave Van Kesteren: I thought it was. I'm sorry. Maybe I'm missing something.

Ms. Jacqueline Wilson: That's a different issue.

There's another case in Germany where a coal fire plant had some requirements placed on their permit to make it cleaner, and that was challenged and the case settled. What they ended up settling on was to take out some of the requirements for cleaner environmental provisions in the permits.

Mr. Dave Van Kesteren: So the German law prevailed for their environmental—

Ms. Jacqueline Wilson: No, it did not.

Mr. Dave Van Kesteren: Maybe you could submit it, because I would like to see it. We could use it because that's what we're looking for, examples of where there's a potential for our laws in this country to be challenged. The laws we know are important, and we want to continue to make our environment cleaner and a better and healthier place for all of us here.

Ms. Jacqueline Wilson: Another good example is when Quebec decided to put a moratorium on fracking. A lot of people in the environmental community and others are very concerned about the environmental implications of fracking, and that's also been challenged.

Mr. Dave Van Kesteren: Challenged. I don't know, maybe you could clarify that. I don't think it's—

The Chair: You have half a minute left, Mr. Van Kesteren

Mr. Dave Van Kesteren: No, that's good.

Thank you.

The Chair: You're good, okay.

That wraps up this panel. I thank the panellists for coming in and creating a good dialogue between us. We will be forwarding our report when we're done, not only to this panel but to all our panellists.

We've got one more panel left before we close out a live mike. We're going to stop for 10 minutes.

• (1015) _____ (Pause) _____

• (1035)

The Chair: We are going to start our third panel this morning in Toronto, doing our consultation process on the TPP. On the third panel, we have two people as individuals, and the Congress of Union Retirees of Canada and Martinrea International Inc.

Maybe we will start with the individuals here.

David Schneiderman, do you want to go first for five minutes?

Professor David Schneiderman (Professor, Faculty of Law, University of Toronto, As an Individual): Thank you very much, Mr. Chair and members of the committee. It is a real pleasure to be here today. I want to talk about the investment chapter in the TPP. Let me add that the consultation here is really welcome, so thank you for undertaking this.

I teach constitutional law, U.S. constitutional law, and international investment law at the law school at the University of Toronto. I have been following Canada's position on investor protection since 1994, when I took up a study of the subject prompted by a threat by American tobacco companies to sue Canada for hundreds of millions of dollars if we were to take up plain packaging requirements.

I should add that I have never been employed as a consultant, lawyer, or arbitrator.

After years of study, my view is that Canada can safely do without investment treaties or TPP's investment chapter. I am a realist. I recognize that Canada's position pretty much tracks the U.S. one—and, indeed, our model investment treaty looks almost identical to the U.S. one—but I think it is high time that we undertook an independent evaluation, and I am hoping that this is the kind of contribution the committee can make.

There are a couple of claims that are made about investment treaties. Global Affairs Canada has previously claimed that they enhance host state investment climate and, secondly, add security for Canadian investors. Neither claim is actually borne out by the

evidence. A meta-analysis that has been done of all the empirical data, looking at the correlation between signing investment treaties and attracting new inward investment, reveals that the correlation is so economically negligible as to be non-existent.

The data on Canadians benefiting from these investor protections reveals a pretty low rate of success, if you include settlements, and according to the Canadian Centre for Policy Alternatives, it didn't include one Canadian-based company invoking a Canadian FIPA, or foreign investor protection agreement.

What we do know for certain is that investment chapters like that in the TPP are intended to constrain state policy space. This is uncontroverted. Broadly drafted investor protections confer on a small cadre of investment lawyers immense discretion to determine the scope of state policy space. The evidence reveals that states often win—not all the time—and sometimes they lose for very bad reasons. I would refer the committee to the Bilcon decision, Clayton v. Canada, which was mentioned in the last panel.

I have listened to earlier testimony before this committee, and there have been claims made that the TPP text is a significant improvement over prior investment treaties. I don't think that is a fair characterization. For instance, it has been claimed that the “fair and equitable treatment” requirement in the TPP is significantly narrowed. I don't think that is true. It is still broad-based. There is some conduct that is identified as illustrative. There is another provision that, it is claimed, preserves regulatory space. This provision turns out to be pretty much redundant. The only provision in the TPP that is an innovation, I think, is the tobacco carve-out.

There are alternatives. In a paper forthcoming from CIGI, the Centre for International Governance Innovation, I suggest that we improve dispute resolution processes within host states. That would be a real contribution to the rule of law within these jurisdictions, and it might actually provide some protection. There is public and private risk insurance, and there are other proposals, I think, that we could envisage, all of which, I respectfully submit, we can safely pursue without TPP's investment chapter.

• (1040)

The Chair: Thank you, sir, and thanks for being on time.

We are going to move over to the Congress of Union Retirees of Canada and Mr. Buchanan.

Go ahead, sir, for five minutes.

Mr. Malcolm Buchanan (President, Hamilton, Burlington and Oakville, Congress of Union Retirees of Canada): Thank you very much.

The Congress of Union Retirees of Canada is an organization representing over 500,000 active members, and CURC has major concerns with the TPP. The Trans-Pacific Partnership agreement was negotiated over eight years behind closed doors, with hundreds of corporate advisers, while the public and media were shut out.

The TPP has been promoted as a free trade deal. Ideally trade and economic agreements are meant to stimulate growth and social development, but the TPP is a wide-ranging deal that extends beyond traditional issues of market access.

It would leave tens of thousands of Canadians unemployed; hike prescription drug costs; affect Internet freedoms, environmental standards, and banking regulations; compromise the rights of local and national governments; and undermine trade union rights.

Free trade agreements were meant to usher in mutually beneficial relationships. Statistics Canada recently published year-end trade numbers for 2015 showing another miserable year for Canada's engagement with the global economy. Total merchandise exports fell 0.6%. Non-energy exports showed some growth, but not enough to offset reduced energy exports. Imports swelled by 4.5%, creating the biggest trade deficit in Canadian history. Research by Jim Stanford verifies the Stats Canada study, and proves that free trade deals are not synonymous with promoting trade. The TPP will only add to those problems.

Today 97% of the commercial goods Canada trades in the TPP zone are already duty free. In exchange for a fractional increase in potential market access, Canadians are being asked to give up tens of thousands of jobs in the automotive sector and dairy industries to name just two sectors that would be affected.

The TPP confirms sweeping new powers on transnational investors codified in their right to sue governments in closed arbitration tribunals for any laws, regulations, court decisions, or actions that fail to meet their expectations as investors.

Under similar trade and investment treaties, investor-state dispute settlement mechanisms have been successfully used by corporations to contest the power of government to ban or restrict the production, transport, and waste management of toxic chemicals; to license the management of land and water resources; to set rates for water and electricity services; and to restructure sovereign debt.

The TPP expands the scope for ISDS complaints to financial services, giving transnational investors the right to challenge regulatory measures that fail to meet their expectations or a minimum standard of treatment. It threatens all levels of government to enact laws and regulations for the best interests of the citizens they elected to represent. On this basis alone, the TPP should be rejected.

The TPP is not a trade agreement. It's about entrenching and expanding the power and rights of corporations. CURC is particularly concerned about the health care implications and prescription drug costs if the TPP is ratified. Canadians pay some of the highest drug prices in the world. These costs have implications for access to medications and for the health of patients, especially those living on low incomes.

The Prime Minister's mandate letter to the Health Minister states that the government's overarching goal will be to strengthen their publicly funded universal health care system and ensure that it adapts to new challenges. Health Minister Jane Philpott has promised to co-operate in reducing drug costs with the provinces.

How would this be possible, given that the TPP will lengthen the time that life-saving drugs can be patented by allowing pharmaceu-

tical companies patented term extensions for regulatory delays and by loosening the criteria by which existing pharmaceuticals can be re-patented for new use, the so-called evergreening?

To reinforce CURC's concerns about rising drug costs, Eli Lilly, a U.S. pharmaceutical company, has recently filed a \$500-million NAFTA suit against Canada over drug patents.

In April 2016, CURC wrote to Minister Freeland expressing CURC's concerns about the TPP and asked the minister to answer a number of questions.

•(1045)

The Chair: Excuse me, sir. You have half a minute. Wrap up.

Mr. Malcolm Buchanan: The minister's office has responded, and is not to the satisfaction of CURC. I have provided that material to the clerk so members of the committee can see it.

In conclusion, CURC echoes the words of Nobel Prize-winning economist, Joseph Stiglitz, who said, "Canada should reject the Trans-Pacific Partnership agreement because it is a flawed trade agreement that benefits big business at the expense of the working people."

Chairman, I have the material I have submitted through you, and I have backup materials on one of those points I made.

Thank you.

The Chair: Thank you, sir, and thank you for being so organized and being on time. We appreciate it.

We're going to move on to Martinrea, with Mr. Wildeboer.

Go ahead, sir, five minutes.

Mr. Rob Wildeboer (Executive Chairman, Martinrea International Inc.): Thanks very much.

I provided some written materials to you, I believe, when I was asked to comment on the TPP when it was announced last fall. I worked with the governments at the provincial and federal levels and also made some public comments. I'm happy to read them into the record again.

The reality is that if there is a TPP, we have to be in it if our trading partners are in it. To not be in it is suicidal. I believe you've heard comments from Flavio Volpe, the president of the APMA, and some other people in the auto parts industry as well as the automotive industry. I think their position is relatively similar on that. It's not a perfect agreement, but if it's there, we have to be there. I'm not too fussed about quotas. Canadian companies are very competitive. We can compete with anyone in the world.

What I would say, just in terms of our company, is that we're an auto parts supplier that 15 years ago had zero revenues. We now have \$4 billion in revenues. We had zero employees. We now have 14,000. Our head office is in Canada. We employ 3,000 Canadians. Some are union and some are non-union. We're a leading manufacturer. What we have to do in order to compete is that we have to be where our customers are, and we compete well. In the various lines of our business, I believe we've been the fastest-growing auto parts company on a percentage basis in North America over that time frame. We know how to compete. We have huge faith in Canada.

When we win work for our customers in different places, we set up plants near them, because we make big stuff that has to be close to our assembly plants. We have to be competitive or we don't win work. We compete against the Chinese and the Japanese, and against people in the United States and people in Europe. I think our growth shows that we can compete pretty well, just as Canadians do when we're given the opportunity to compete.

Because our head office is here, we finance here, our shareholders are here—we're a public company—and we tend to like to do our R and D here. We tend to use Canadian tool and die makers wherever we can, and automation people, and we export that across the world. We, along with other companies such as Magna and Linamar, which have grown considerably internationally, are very happy to have our head offices here, where we support a lot of people. It's a very important industry for us.

Free trade has been good for us because it has given us access in different places, and if we win jobs elsewhere, it creates and preserves jobs here. Anyone who looks at job numbers has to take that into account. Head office jobs are very good jobs. R and D jobs are very good jobs. Design jobs, tool and die maker jobs, automation jobs, high-tech jobs, accounting jobs, legal jobs, and finance jobs are all very important jobs here.

In terms of the auto industry, I want to talk very briefly about it because it's my perspective. We are part of an international industry. It's the second-largest industry in the world next to construction. It's a leading-edge innovation industry. I believe I've provided you our "Call for Action" materials.

I'm co-chair of the investment committee of CAPC, the Canadian Automotive Partnership Council. Minister Bains is part of that, as are the Ontario government and the Quebec government. My co-chair is Ray Tanguay, the former president of Toyota Canada, who has done a pretty good job of attracting two large assembly plants to Ontario that have created a lot of jobs with a lot of spinoff effects. I am also the chair of the CEO Manufacturing Advisory Council of the CME, which includes a number of companies that employ a lot of people here in Canada. We advise the Prime Minister and the Ontario Premier on policies such as manufacturing.

In order for us to be involved in trade, we need to have stuff to trade. We have to make stuff here. Manufacturing jobs are incredibly important for us, and our ability to make stuff is incredibly important. I happen to represent manufacturing in general but also the auto industry in particular. In order for us to have a healthy auto industry, where we've punched above our weight for many years, we need to have assembly plants.

We're spending a lot of time with your government and different parties in talking about the importance of having assembly plants in Canada so that we can have a supply base here. As I indicated, we will go to where our assembly plants are located in terms of our customers. We want them to be here. That means we have to work together. I'm talking to a number of elected representatives here. It's a real privilege to do so and I commend you for all your work, but we have to recognize the importance of supporting manufacturing and supporting the automotive industry in Canada.

To give you a sense of this, every assembly job creates anywhere from seven to 10 jobs that supply a multiplier effect that in an advanced technology business such as that is unbelievable. We're the greatest customer of Dofasco or ArcelorMittal. ArcelorMittal, with the iron ore it pulls from northern Quebec, is the largest employer of native Canadians in northern Quebec.

There's a supply chain like you wouldn't believe that supports everything. I would commend us on that.

• (1050)

The Chair: Mr. Wildeboer, if you could wrap up, I'd appreciate it.

Mr. Rob Wildeboer: I'm ready for questions. Thank you.

The Chair: Thank you, sir, and thank you for that presentation. It was very informative.

We have one more witness here, Dr. Lexchin.

Go ahead, sir.

Dr. Joel Lexchin (Professor, School of Health Policy and Management, Faculty of Health, York University, As an Individual): Thank you very much.

My name is Joel Lexchin. I teach health policy at York University, and I work at the University Health Network as an emergency physician.

I'm going to comment about the possible implications of the TPP on drug regulation and prices. There are five separate chapters or annexes that could potentially affect these areas.

The first one is the technical barriers to trade, which contains laws on transparency, regulatory harmonization, and acceptable marketing approval processes that could entrench the views of foreign governments. For instance, one of the articles in this chapter gives foreign governments the right to comment on Canadian regulatory approval standards. That doesn't mean they're going to change, but there's certainly the potential for that.

There is also no guarantee that, if standards are harmonized, they're going to be harmonized upwards rather than downwards. For instance, one of the articles gives Health Canada the right to retain secrecy around its reports on inspection of manufacturing facilities, rather than making those public.

The article on intellectual property has provisions around both data exclusivity and patent term extension. Those won't affect Canada too much, because we've already given away patent term extension with the CETA, and our data exclusivity currently meets the TPP standards. However, the TPP means that these are going to be locked in, because it requires the agreement of all of the signatories to change any of the provisions. If Canada at some point in the future wanted to roll back data exclusivity or roll back patent extension, we would need the agreement of all of the signatories of this agreement.

The chapter on transparency and anti-corruption could also have negative effects, potentially on drug costs. Currently, we don't have a national pharmacare plan. There's debate going on about that. If we do develop one, then this article could become effective and limit our abilities to control expenditures.

You've already heard briefly about the investor-state dispute settlement mechanism. We have that already through NAFTA. That applies to U.S. companies. Eli Lilly is using it to challenge the court's revocation of patents on two of Eli Lilly's drugs. The TPP will open up the ISDS mechanism to Japanese companies.

Beyond these risks I've outlined, the U.S. pharmaceutical industry is not happy with what it got out of the TPP. A U.S. diplomat at another forum was commenting on this and said that the U.S. industry did not get everything that it wanted, so there is also the strong potential that U.S. drug companies will try to push the limits of the TPP, and that could further affect how we regulate and price our medications.

Thanks very much.

• (1055)

The Chair: Thank you, sir, and thank you for being on time.

Now that all the panellists have given their briefs, we're going to move on to dialogue with the MPs.

Starting off, we have Mr. Van Kesteren from the Conservative Party for five minutes.

Go ahead, sir.

Mr. Dave Van Kesteren: Thank you, Chair. Thank you all for coming here.

I'm going to start with Mr. Schneiderman. I'm not going to go toe-to-toe with you. You're a law professor, and I'm just a farm boy from southwestern Ontario, so I'm not so crazy to do that.

I'm just going to ask you one question. Is there consensus with your peers? Do they all agree with your position? Let me just ask you that.

Prof. David Schneiderman: Of course not. ISDS is a flashpoint for political debate.

Mr. Dave Van Kesteren: That's good, that's all I want to know.

I reasonably expect we could get somebody else who would have an opposing opinion.

Prof. David Schneiderman: Let me respond to that.

Mr. Dave Van Kesteren: Not too long. I have five minutes.

Prof. David Schneiderman: I promise not to.

You'll notice that I did not use any hyperbole or talking points. I used evidence and text in the TPP. That's all I wanted to talk about with you.

Mr. Dave Van Kesteren: No, you didn't, and that's fair. You did say "this could happen" and "that could happen".

Likewise, Mr. Lexchin, would you agree there may be somebody in your field who would say, "Well, Joel, I disagree with you"?

Dr. Joel Lexchin: They might disagree. They'd be wrong, but....

Voices: Oh, oh!

Mr. Dave Van Kesteren: I like that.

Dr. Joel Lexchin: This kind of thing is being debated heavily in the United States, in Australia, and in New Zealand, so yes, sure.

Mr. Dave Van Kesteren: That's fair.

Mr. Buchanan, you represent how many retired people?

Mr. Malcolm Buchanan: Approximately 500,000.

Mr. Dave Van Kesteren: That's a lot. You must have a pulse on the retirement funds. How are they performing of late?

Mr. Malcolm Buchanan: Well, I can talk personally to the one I belong to and that's the Ontario pension plan. It's very sound. It goes up and down a little. Some of our members have had to pay increased premiums. Some have lost indexing, but we got it back, and that was through hard negotiations. They are performing reasonably well because they diversify their funds.

Mr. Dave Van Kesteren: That's a good thing. I'm glad, because if you were managing my pension plan, that's exactly what I'd want to hear.

I don't know if you're responsible for this, but you would agree it's important to pick winners, people who are going to perform, so that your investment's going to have a return. Would that be a fair analysis?

Mr. Malcolm Buchanan: I smell a trap question in this.

Voices: Oh, oh!

The Chair: Just to remind everybody, this is like the House of Commons here.

Mr. Malcolm Buchanan: No, the question is, do we like to pick winners? Absolutely, but in our pension plan, we make sure they're ethical investments.

Mr. Dave Van Kesteren: I see the lady waving her hands in the back, and I appreciate that.

Could I go through every one of those investments, and would I find some that might—and this is another trick question—disagree with your position, and say, “Jeez, Mr. Buchanan, we really needed this TPP agreement”? Do you think that might be possible?

Mr. Malcolm Buchanan: From my position, I would say no, and if they disagree, maybe they're wrong.

Mr. Dave Van Kesteren: That's good.

All right, I'm going to go to Mr. Wildeboer.

I wonder if you could tell us a little about your business. When did you say it was first started?

• (1100)

Mr. Rob Wildeboer: We became an auto parts company in 2001.

Mr. Dave Van Kesteren: Who started the business?

Mr. Rob Wildeboer: I'm one of the co-founders, with two other people who came from Magna.

Mr. Dave Van Kesteren: Congratulations. You had an idea. You had a vision.

How many hours did you work when you first started?

Mr. Rob Wildeboer: It's hard to put it in hours. I was asked that question. You're on 24/7. You're always thinking about it. Even when you're sleeping, you go to sleep because you're tired, you sleep like a baby, and then you wake up paranoid about the next thing you have to do.

Mr. Dave Van Kesteren: Why in the world would you do it? I'm just curious about it.

Mr. Rob Wildeboer: I have a tremendous faith in our ability to compete. I've been working on entrepreneurial ventures all my life. I worked at starting a law firm, advised a lot of people, and then thought I'd do it. At first blush, we felt the world and North America needed strong auto parts suppliers. We thought that a lot of our competitors in the United States were suffering from too much debt, the wrong places, and old ways of doing things. We—along with the folks at Magna, the folks at Linamar, and a number of other Canadian suppliers that are private companies, perhaps not as well-known—thought we had a good opportunity to be part of the North American market. There are no customers with head offices in Canada, but we've had tremendous success working with those international folks.

In order to do that, we had to be in the jurisdictions they are and grow, but we also had to be in Canada. We thought it was an advantage to be in Canada, because we have five major international auto companies with head offices in Canada.

The Chair: Thank you, sir.

I am sorry, Mr. Van Kesteren. Your time is up.

We are moving on to the Liberals for five minutes. Ms. Ludwig, you are ready to go.

Ms. Karen Ludwig: Thank you all for being here. I really want to put this in context, in terms of my position and our government's position. It is for us to be listening, consulting, and gathering your perspectives and experiences because, as Canadians, that is the ultimate of what we do as government representatives—represent

you. Thank you so much for taking the time and sharing your passion and your expertise.

This is the sixth province we have visited, and I really want to try to get this balanced out, or get a broader perspective. Listening to each of the panellists, certainly our first three panellists—thank you—and our fourth panellist from a business perspective.... How do you reconcile that in terms of job potential and job losses? We heard from the farming communities and their associations in the west. Their concern is that if the TPP is not ratified, there will be significant job losses, well in excess of what they would be if it was ratified.

Not ratifying the TPP... Would you please give me your perspective on how you think that might affect your company? If it is not ratified, how would you move forward in a non-member country of that agreement?

Dr. Joel Lexchin: I am going to talk only about pharmaceutical issues. From that perspective, the TPP is going to have potential negative effects—we really won't know until the disputes start and we see how it is going to be interpreted—on both prices and regulations. For instance, a colleague and I did calculations on the effects of CETA, the Comprehensive Economic and Trade Agreement with the European Union. We calculated that by 2023, overall drug expenditures in Canada would go up between 6% and 12%. Currently, we are spending \$29 billion, so it would go up between \$2 billion and \$3.2 billion, if we looked at today's situation. Similarly, with respect to regulation, the drug companies in the United States and Japan are pushing to get drugs through the approval process faster. From previous research that I have done, faster approval means more safety problems once the drugs are on the market.

Ms. Karen Ludwig: Would you be able to submit that report to the committee?

Dr. Joel Lexchin: Which one?

Ms. Karen Ludwig: The one where you look at the forecasted drug costs under CETA.

Dr. Joel Lexchin: Sure.

• (1105)

Ms. Karen Ludwig: Thank you very much.

Other panellists?

Prof. David Schneiderman: I will provide a very short answer. The investment chapter will not create Canadian jobs, nor will it result in a reduction. In fact, the TPP, as you all know, is about much more than trade. That is why I began by saying that we can safely do without an investment chapter. Now, withdrawing an investment chapter from a negotiated agreement is difficult, but there is certainly a movement afoot to abandon ISDS and replace it with something else.

Ms. Karen Ludwig: Is there any investment chapter from previous agreements that you do think is a good example?

Prof. David Schneiderman: The Canadian model is mirroring NAFTA since 1994. The previous model was state-to-state. The question is whether we should be conferring these rights—special rights, privileged rights—on investors. That is what this investment chapter is about, and I think the committee's task is to weigh the costs and benefits of that.

Mr. Malcolm Buchanan: Are you aware of the Tufts University study on potential job loss?

Ms. Karen Ludwig: Yes, I am.

Mr. Malcolm Buchanan: I think that answers part of your question. It shows that, overall, all of the TPP-zone countries stand to lose employment. As a result, it causes co-ordinating things better and focusing on certain areas but, overall, they are predicting there will be a job loss. In Canada, just in the automobile sector, they are projecting a 55,000 job loss.

Ms. Karen Ludwig: I understand that, Mr. Buchanan. I am trying to find the balance. In the west, they said we would lose a significant number of jobs in the farming area.

Mr. Malcolm Buchanan: One of the things.... You have to look at all the so-called trade agreements we have now. You can see that the export-import balance is not right. We export less than we import. Somewhere along the line—to try to answer your question—we have to find those industries and those types of things that are going to improve our export. That is what we need to do. Right now, under the free trade agreements we currently have, it is not working. I have provided the committee with that background.

The Chair: Thank you, sir.

That wraps up the time.

Now we're going to move over to the NDP for five minutes.

Ms. Ramsey, go ahead.

Ms. Tracey Ramsey: Thank you so much for your presentations to us here this morning.

The position we're sitting in is yes or no. It's not can we renegotiate, what can we change, can we drop something? We are in this, yes or no.

We are the most sued country under ISDS provisions, as you well know, Mr. Schneiderman.

When we talk about an automotive strategy, maybe a manufacturing strategy that we'd like to implement, in Windsor yesterday there was a huge forum that Ray Tanguay participated in and, I'm sure, many of your colleagues. Under ISDS provisions, if we attempt to put in an auto strategy or a manufacturing strategy, we may be sued under ISDS provisions for being protectionist, so we have these juxtapositions where we'd like to improve the lives of Canadians in terms of the environment and in terms of jobs that are available, but our hands will be tied from doing so under these ISDS provisions.

We have a lot of folks who come before us, but there are lots who have not, and so I'm very pleased to see Malcolm Buchanan here today speaking on behalf of 500,000 retirees and seniors. This is a voice that hasn't been represented so far at this committee, and it's important that we hear from the seniors.

I share the concerns that my colleague had. I thought it was interesting that he was asking you about your pension plan. I'm concerned about your being able to live in dignity as well. I'm concerned about the cost of drugs if we sign the TPP. What will that mean to your 500,000 members? Will they be able to afford increased drug costs in Canada?

Mr. Malcolm Buchanan: If I may respond to that, I'll give you a classic example. We're facing a major problem in Hamilton, which is my home town, in the steel industry. U.S. Steel basically wants to bankrupt the company down there, and people are being laid off. Retirees have had their pensions cut back. They've lost their indexing. The pension plan that was meant to be resolved years ago has not been. There's approximately a \$1-billion shortfall in the pension, and they've now lost their benefits. Now you're talking about the cost to them. They have a choice: pay their rent, pay their mortgage, or pay for their medications. That's how bad it's getting for many of my members across the country where this situation is growing.

Most people think that pensions in the private sector, even in the public sector, are huge. They are not because we're losing the pension ability in the private sector. They're going to different forms, and this is putting more burden on people when they retire so that they rely on the CPP, which is kept, as you know, to a certain amount, and OAS and GIS. It just gets them over the poverty level. Therefore we can see that drug costs—this is why I'm here talking about this issue—is a major concern, especially for surviving spouses.

• (1110)

Ms. Tracey Ramsey: I agree.

I'd like to ask Mr. Wildeboer a question. You mentioned that you want to be where your customers are, and this is a grave concern to a lot of Canadians because we've lost tremendous market share in manufacturing and auto with jobs going to Mexico, another low-wage economy that we have an agreement with. Now we're going to open up even more low-wage economies, and the concern is that automotive and manufacturing will leave to go to those economies. You will join them, and then we will have even greater job loss here in Canada.

My question for you is: how many Canadian jobs will your company create under the signing of the TPP?

Mr. Rob Wildeboer: As I said, as we grow our business and we finance, we create head office jobs. We've come from 0 to 3,000 Canadian jobs. I know Jerry Dias very well. He's part of CAPC, and we talk a lot, and we're both committed to growing the automotive sector in Canada. The fundamental issue in order to have an automotive sector in Canada, an auto parts industry—and twice as many people work in the auto parts industry as there are in the automotive assembly sector—is to have plants.

With regard to assistance or grants in order to co-invest with companies to build plants here, people do that all over the world. They do it in Tennessee. That's how they got the Volkswagen plant.

Ms. Tracey Ramsey: How many jobs do you think your company would be able to create in Canada by the signing of the TPP?

Mr. Rob Wildeboer: On the jobs we create or lose in Canada, the TPP, at the end of the day, is not going to create or lose jobs. The reality is going to be where our customers are and whether we are competitive. I would say a couple of things very briefly. If there is a TPP—and we'll see what Mr. Trump or Ms. Clinton effectively does with that. I wouldn't be in a hurry to sign anything until we see what happens with the U.S. If the U.S. doesn't sign the TPP, we shouldn't be there, but if they are there, we should be there because, at the end of the day, to be outside the club is a problem.

Ms. Tracey Ramsey: Okay.

Mr. Lexchin—

The Chair: I'm sorry, your time is up.

We'll move on now to the Liberals for five minutes.

Mr. Fonseca, you're up.

Mr. Peter Fonseca: Thank you to the presenters for the impassioned, knowledgeable, and experienced-based presentations you've provided us here today. We've heard from all of you from different perspectives.

Mr. Wildeboer, on your last point, you were talking about the growth of your company. Congratulations on all the success you've had since 2001. That's just tremendous.

The auto industry has been one of the very focal points of this TPP agreement. The reason is that this agreement started back in 2006, but Canada just got to the table in I think 2012. We were third to last to actually get to the table on the TPP. A lot of it had already been done, negotiated, etc. That was under the previous government.

Where we found ourselves, when we starting getting through the 6,000 pages of the TPP, was that on auto, when you look at the reduction of tariffs, Canada would have to reduce its tariffs within the first five years. For the United States, our greatest trading partner, our partner where most of our manufactured vehicles go from Canada, their reductions in tariffs will only happen 25 years down the road, and then 29 years down the road when it comes to trucks.

We heard from some other stakeholders like you within the industry, and comments have been made that we wouldn't be landing any more assembly plants here in Canada, because we would not have the climate to be able to do so. Being that our greatest trading partner and friend, the United States, has a competitive advantage on the tariffs, it would be much more likely that a plant would be landing in the United States and they would be getting all that work. Based on what you had to say, where you want to be close to those plants, what would that mean to the Canadian auto industry?

Mr. Rob Wildeboer: We spend a lot of time working with the federal government and the Ontario government. It includes Unifor, it includes the five automotive companies and the assembly plants here, and it includes the suppliers. I think I indicated that to you. I have some material on that. We spend a lot time talking with the governments.

Ultimately, you're successful on the basis of your competitiveness. If we're not competitive here with assembly plants, we're not going to have assembly plants. When you look at that, you have to look at all-in cost, infrastructure, the cheques that are written, the tax policies, the cost of labour, and, among other things, access to other markets with free trade agreements.

One of Mexico's strengths is not its low wage rate: it's the fact that it has 55 free trade agreements across the world. It's a great place to locate, because you can trade your goods everywhere. That is something we should emulate here in Canada in terms of that.

In terms of the U.S. versus Canada, there's no question that we were not the primary consultant with the United States. They spent a lot of time with Japan.

With respect to the growth of assembly plants, most new assembly plants are going into Mexico. They're going into Mexico because they do a good product, because their all-in competitiveness is there, and because of their access to free trade agreements. That is something we are working very hard with the members of all your parties to effectively make some positive decisions on. Bramalea needs a paint line in order to be competitive for the next two generations, and Oshawa needs a product mandate. That is something we're working very hard on.

Despite where you are on the political spectrum, or whether you're in business, a retiree, in a union, or whatever, we're not negotiating over anything if we don't have an industry. We have pushed way above our weight in the auto industry over the years. We still do 14% to 15% of North American assembly with 8% to 9% of population. I'd like to preserve that. I think every Canadian would want to preserve that. That's the type of thing we have to look at.

● (1115)

Mr. Peter Fonseca: Thank you.

Professor Schneiderman, the ISDS under TPP is user-funded. Now, governments have pretty deep pockets. Wouldn't that put them in a better position if they were to have to go into that dispute settlement process over a corporation that might not have as deep pockets as you would find with the government?

Prof. David Schneiderman: You should look at the list of appearances in these disputes on the investor side. They're really long, sometimes longer than the Government of Canada's representatives. That isn't to say that there are limitless funds available, but you need to have deep pockets to litigate in order to recoup the damages you're seeking. So you're looking at large companies. They're not small to medium-sized enterprises. That's one answer.

A second answer might be this. While states write the rules of the game, investment lawyers interpret it. Everybody gets paid. The investment lawyers want repeat business; the lawyers representing investors and the arbitrators. I try to avoid ad hominem arguments—

The Chair: You'll have to wrap it up, sir.

Prof. David Schneiderman: There's a structural bias built in here where investment lawyers who sit as arbitrators will interpret treaties in ways to ensure that investors come back. They can't discourage the people who initiate these claims, so that's a real problem with the system.

The Chair: Thank you, sir.

That finished the first round. We're going to go on to the second round. The Liberals are up first.

Madam Lapointe, go ahead for five minutes.

[*Translation*]

Ms. Linda Lapointe: I would like to clarify something.

As I was walking around earlier, I heard some comments. The agreement was signed in February. We are studying it to determine whether it will be ratified. People are under the impression that, since it was signed in February, it will definitely be implemented. We are travelling across Canada to make sure we hear from people in all the provinces. I think it is important for people to know that.

I will now ask some questions.

Good morning. Welcome.

Yesterday, in Windsor, we heard from Professor William Anderson. I'm sure you know him. He is at the University of Windsor and has a PhD. He said that, if the TPP were ratified by Mexico and the U.S., Canada would make a huge mistake if it did not ratify it.

Could you comment on that?

Go ahead, Mr. Schneiderman.

Prof. David Schneiderman: Thank you for that question.

[*English*]

We'd be making the point that Professor Anderson, is it, made, which was that—

[*Translation*]

Ms. Linda Lapointe: It is Mr. Anderson, a professor who specializes in international trade.

[*English*]

Prof. David Schneiderman: Okay, so if we don't sign, it would—

[*Translation*]

Ms. Linda Lapointe: Suppose that the U.S. and Mexico ratify it, but not Canada.

Prof. David Schneiderman: Okay.

• (1120)

[*English*]

In terms of investor-state arbitration, it would mean that NAFTA would continue to control those kinds of disputes.

As for larger questions around trade relations, pharmaceuticals, and everything else, I think you have to weigh that question.

Insofar as we're talking about investor state, TPP just expands the business to more states, with more opportunity to cramp the policy space of Canada. That's what we're doing.

[*Translation*]

Ms. Linda Lapointe: Okay.

We all know that there are presidential elections across the border to the south.

If the agreement were reopened, how would you change it? I heard you talk about your fear of drug prices skyrocketing. What changes would you like to see made to the agreement that is being proposed right now?

[*English*]

Dr. Joel Lexchin: There are a number of clauses in there.

First of all, there is the one about patent term extension. Currently, patents are valid for 20 years from the date of filing. The TPP doesn't give a number, it would probably add two years of patent life, which means that would delay generic drugs coming on the market for two years. I would get rid of that.

There is a provision there that allows drug companies to continue to market their products through their websites to consumers. If you look at information from the United States, you can see that there are a large number of warning letters that the U.S. Food and Drug Administration has to send to these companies because they either don't mention safety information or they exaggerate the effectiveness. I would eliminate that clause in this agreement.

I would also carve out pharmaceuticals from the ISDS provisions so that companies could not do what Eli Lilly, for instance, is doing right now.

[*Translation*]

Ms. Linda Lapointe: Thank you.

My next question is for you, Mr. Wildeboer.

You said that your company has to be where your clients are. You also said that one job in assembly plants indirectly generates seven to 10 jobs. If we lose an assembly plant—yesterday, we were in Windsor—will we automatically lose seven to 10 indirect jobs for every job lost?

[*English*]

The Chair: Please, half a minute.

Mr. Rob Wildeboer: The multiplier effect—and there's a lot of data on this from an auto assembly plant—is quite large. If you have an assembly plant with 3,000 employees, you're probably employing 6,000 supply jobs, and then you're looking at the jobs that are created when you're building the schools, and the Tim Hortons, and construction, and all that type of stuff.

As assembly plants leave, you will lose those other jobs.

The Chair: That wraps it up.

We're going to go over to the Conservatives for five minutes.

Mr. Ritz, you have the floor.

Hon. Gerry Ritz: Thank you, Mr. Chair.

Thank you, gentlemen, for your presentations today. You're certainly well-spoken advocates for your viewpoints.

I won't disagree with what you have said, because you're certainly passionate in what you bring to the table. There are always opposing points of view, and it's our job to find some balance in the middle that seeks to build the Canadian fabric and make us stronger as a country.

We are part of a global supply chain regardless of what particular enterprise you want to look at, and having the ability to have rules and regulations from some of our trading partners I think strengthens that, because we need that predictability and stability to build the Canadian fabric, but it's about how we come to those terms and how we put those into play.

Mr. Wildeboer, I want us to help you celebrate your success. We heard from Jim Balsillie from RIM that you're an anomaly. You can't happen. He said under the rules of play we have now in Canada, you shouldn't exist. I want to celebrate your success in doing that.

Mr. Rob Wildeboer: He mentioned our company?

Hon. Gerry Ritz: Not you particularly, just that any Canadian company is at such a disadvantage.

I do want to talk to you about this whole idea of Canada moving away from the 6% tariff over five years, as opposed to the U.S. doing it over 25 years.

Does that not create a path of least resistance for investment in Canada from companies, say Japanese or Korean for that matter, that want to access, through the NAFTA channel, the U.S. market simply because they can't do it directly?

•(1125)

Mr. Rob Wildeboer: I always have to be a little careful because the OAMs happen to be my clients or customers.

The reality is that a lot of it is quite overblown. The reality is the OAMs are here, and they want to sell product to our customers. I have said in the past I like the idea of what we did in the Auto Pact in 1965, which is that if you want to sell here, you have to produce here.

Hon. Gerry Ritz: Right.

Mr. Rob Wildeboer: That's a stick that we've lost, but I would suggest that people look at potential sticks when you have that discussion.

I do think the auto OAM that leaves Canada and shuts down the plants will probably suffer from fewer sales in Canada because it will be viewed in a particular way.

Even when you look at it from the auto parts side, it says 62.5% of the parts have to be North American produced. Now it's down to 40%, and we should all throw up our hands. Ultimately you have to be competitive.

The fact is the auto parts from other places were nowhere near 37.5%. Auto parts from China in North America are around 2%.

There's a lot of discussion and rhetoric as far as that goes. To me, in order to have an industry, you have to have an assembly base, you have to have customers that you sell to, and you have to be

competitive. If you're competitive it doesn't matter what the agreement says. You're going to win jobs, and you're going to provide job security for your people.

That is the way it is.

Hon. Gerry Ritz: Sure.

You answered my next question already on content.

The other issue I would talk about—and we heard this from some other witnesses along the trail that we've had for the last few weeks—is that Japan is lacking expertise. They're lacking people to continue to build their global platform, so they're looking at countries like Canada, which is well known for our expertise when it comes to assembly and auto parts. We've seen that now, and you mentioned the great work Ray Tanguay did in bringing those investments to Canada.

Can you see more of that type of thing happening? The Japanese recognize the skilled workforce we have here and our ability to reach global markets, and they will start to expand their platforms here as opposed to doing it in Japan where they don't have the people, literally.

Mr. Rob Wildeboer: Ray has done a good job bringing work to Canada. I think he's a great Canadian. He's my co-chair on the investment committee for CAPC, so I have to say nice things about him, and I do. He's a real champion for Canada.

Take a look at what General Motors is looking at. I'd like to see them on the product mandate in Oshawa. They do a lot with technology. Leading-edge lightweight technology is here, and what they're saying internally is—and they compete for mandates in their worldwide enterprises—there are more Ph.D.s in artificial intelligence in Canada than anywhere else in the world.

That's the type of thing that sells the future.

At the end of the day we don't just want to create little research centres. We want to have research centres tied with production capacity, because in innovation—and we have an innovation agenda—two-thirds of the innovation in our industry tends to be processed innovation, and you can't improve what you're making unless you're making stuff here in the first place.

That's why it is so important to make things.

The United States has figured it out with a reshoring of manufacturing. The President is focused on that. We have to focus on that as well.

Hon. Gerry Ritz: We heard that this morning too from UPS, that business draws business. More people locate here and they calculate it on a parcel-shipment basis.

Thank you for your input.

The Chair: Mr. Ritz, the time is up.

We have enough time for two more three-minute slots.

Mr. Peterson, go ahead for three minutes.

Mr. Kyle Peterson: Thank you, Mr. Chair.

Thank you, everyone, for being here. I appreciate your comments all coming from diverse perspectives and focusing on certain issues.

Mr. Wildeboer, I want to ask you a quick question. I know we've talked about the Stiglitz and Tufts studies many times. Those say there will be a net job loss, but I think we have to bear in mind that analysis was comparing the status quo, i.e., no TPP, of all 12 countries entering the TPP.

I think our analysis needs to be on what we will do if the U.S., Mexico, and Japan enter the TPP and Canada doesn't. There hasn't been an analysis of that, but I think we have to look at that.

Mr. Wildeboer, you mentioned that would be suicidal to the manufacturing industry in Ontario. Can you expand on that a little bit?

Mr. Rob Wildeboer: Well, suicidal is a big word, but it kind of gets your attention.

It's silly. Let's take the automotive industry, but it's true of manufacturing as well. We make things together; it's a seamless industry. The typical vehicle has parts that cross the border 11 times. If you buy a vehicle produced in Oshawa, it has a lot of U.S.-made parts. If you're looking at a vehicle produced in St. Louis, it has a lot of Canadian-made parts. Things go across the border all the time. We effectively have free trade in our industry.

In that sense, I think we've grown as a trading nation. I would just say pension funds, at the end of the day, benefit from free trade agreements, because most of their investments, including the ones that you're mentioning, are outside of the country. They're investing in different places.

That's one of the ties of the free trade agreement. You invest here; I get to invest over there. I have a lot of funds to invest. If you look at foreign direct investment by Canadians internationally, it is higher than direct investment in Canada. Right at the top of the list of the guys doing that are our pension plans.

• (1130)

Mr. Kyle Peterson: Thank you for that.

Professor Schneiderman, I appreciated your insight into the ISDS, and I agree it's a complex system that's been derived over the past 30 to 40 years, probably right back to NAFTA. I also appreciate that you acknowledged there are other perspectives as well.

I spent a few years in commercial litigation, and the courts don't always get it right either. There are always flaws in any system.

I'm curious to hear your brief opinion on the ISDS provision in CETA. It has been, as you are no doubt aware, somewhat changed from what we would find in TPP and NAFTA. Do you think that trend is a step in the right direction?

Prof. David Schneiderman: First, I wouldn't analogize investment arbitration to private arbitration around divorce proceedings or commercial arbitration. This concerns state policy space. It concerns the ability of the government to enact laws in the public interest. It's not about division of property upon marital breakup.

Mr. Kyle Peterson: I appreciate that.

Prof. David Schneiderman: It's a very different system.

The CETA model is a modest improvement. It's only modest because the immense amounts of discretion handed over to investment lawyers remain under the CETA model. People are on retainer, but they're the same people who are giving rise to complaints about problems associated with ISDS.

The Chair: Thank you, sir.

I'm going to move over to Mr. Hoback for three minutes.

Go ahead, sir.

Mr. Randy Hoback: Thank you, Chair.

Thank you, witnesses, for being here this afternoon.

Mr. Wildeboer, yesterday we asked another parts manufacturer why these plants were locating in Mexico, and one of the answers was that it was a combination of the free trade agreements that Mexico had plus power costs plus a variety of things.

If we're going to land these other global platforms into the future, what do we as Canadians need to provide besides market access? I'm talking about CETA and the TPP. Those involve market access for sure, but what else has to be in that equation to allow that to happen here in Canada?

Mr. Rob Wildeboer: I have reports I can give you on a call to action. There's a whole CAPC group, including all the OEMs, parts suppliers, and Unifor, that has made some recommendations on that.

Ultimately, in order to be competitive, you have to look at your all-in costs, and those are part of the competitiveness in a manufacturing sector. All-in costs can include the costs of quality, the talent you have, access to markets, labour costs, pension costs, and so on.

Ontario has a lot to deliver, and I won't get into the whole list, because it's there. One of the biggest problems is that we don't sell it well enough. I think one of the key things is that our federal and provincial jurisdictions have to work together in order to show the world that we're open for business. You have labour behind you, and that includes the people I represent. It includes some Unifor shops and some non-Unifor shops. It includes business, and it includes service industries. If we get our act together, we should be able to sell.

Mr. Randy Hoback: I know what you mean. I know that when I worked with Flexi-Coil and Case-New Holland and we were looking at a new product line, you actually had to sell it to the gods above you in order to get it into your facility. I know just how important it is to be able to sell that full package. I would think that in terms of trade agreements and market access Mexico has done very well in selling that to those gods above us. Would you not agree with that?

Mr. Rob Wildeboer: Well, as I was preparing today, I got an email saying that the President of Mexico is coming to Ontario. He wants to visit my head office. He wants to see a plant, because we're also a big employer in Mexico.

The Prime Minister of Canada has been there a number of times. Sandra Pupatello has been in most plants in Ontario, and Kathleen Wynne is going to visit one of our plants as well. We get that, but we have to get our game together so that we market it. It's an "all hands on deck" thing, and if we compete, we can win.

Mr. Randy Hoback: Is it fair to say, then, that if we sign the TPP and we sign CETA—I'm looking two or three years out—we should be going into Japan and saying that we recognize they can't build that stuff there but they can do a global platform here in Ontario, because we have X, Y, and Z, and that's why they need to be here? Will that not be the blanket or the platform that will actually expand this region?

Mr. Rob Wildeboer: We have to support the local champions. Ray Tanguay did that in Japan and said, "I want you to build the Lexus in Cambridge." It's the only plant outside of Japan that does the Lexus, and it's in Canada.

●(1135)

The Chair: Thank you, sir.

Thank you, Mr. Hoback. That wraps up our third panel for today.

I thank the witnesses for coming and for their good presentations and the good dialogue with the MPs.

Now we're going to move on to the audience, but we're going to have a five-minute break.

We'll suspend now for five minutes.

●(1135)

_____ (Pause) _____

●(1140)

The Chair: We're going to get started. There are a few housekeeping rules. This is a forum that we've been doing across the country. We open up the last hour for comments from the audience.

We have a long list of speakers and we're going to try and get everybody in, but we're going to have to ask for your co-operation. We're going to give you two minutes each. If it's shorter, that's great.

There are a couple of things. We don't want any heckling. We don't want any personal attacks. I will not accept that or I will cut you off at the mike. You're here to talk about policy, your beliefs, and what you feel. Don't make any personal attacks on an individual. Don't jeer anybody at the mike.

If this goes fairly smoothly and quickly, I'll be able to get most of the people on this list.

For anybody in the audience who doesn't get a chance to speak, and they have an opinion on this, we have an email address that you can send your comments to and it will be put in the report.

Without further ado, we're going to start off with Patricia Evans.

●(1145)

Ms. Patricia Evans (As an Individual): Thank you for the opportunity. I'm here with two other members of the Grandmother's Advocacy Network.

While we're women of a certain age, our concern is with drug costs in Canada, but more importantly, for our purposes, is the impact of the TPP on people in poorer parts of the world.

There are two specific concerns I want to identify very briefly. One, the delay of generic drugs onto the market will have a very deleterious impact. Generics were one of the most important reasons why the price of ARVs for HIV/AIDS went down from \$10,000 a year to \$150. That's really important.

We know that the Global Fund, to which the Liberal government, our government, has just generously supported, is one of the agencies that is going to be impacted by the price of drugs to poorer countries going up.

The other aspect, and I think this may be a surprising thing for many of us, is that the delay of generics actually can impede the development of innovation. For example, if a generic company wants to develop a paediatric formulation of an HIV drug or if they want to develop a heat-resistant, good for sub-Saharan Africa, form of the medication, they could be denied the opportunity. This will delay.

The Grandmother's Advocacy Network would agree with agencies like MSF that say the big losers in the TPP are patients and treatment providers in developing countries.

Thank you.

The Chair: Thank you very much.

Ms. Fiona McMurran, you're up for two minutes.

Ms. Fiona McMurran (As an Individual): Thank you for this opportunity to speak. I'd like to ask the committee to seriously consider who this deal is good for. We know that it's good for the winners. We know that it's good for the Magnas, but we also know what's happening in this country, that our income inequality is increasing by leaps by bounds, that more and more Canadians are falling into poverty, that we now have one of the highest rates of child poverty in the developed world.

Deals like this are a race to the bottom for most of us. All of you, as well as thinking about the overall GDP, which by the way is not going to increase at all to any great degree under this deal, also have to think about the real Canadians that you represent.

As Mr. Fonseca has said, the TPP needs to be looked at by our parliamentarians holistically and I congratulate all the members of this committee on the extraordinary way you've dealt with this learning curve over the last few weeks.

What about your colleagues in the House? I've spoken to the MPs in my area. We've got two new Liberals down there in Niagara and they're struggling as hard as they can just to learn the job.

This is an extraordinarily complex deal as I know you now appreciate. How on earth are your colleagues going to be prepared to vote on this?

I ask you to please consider this and find some way of extending the discussion and particularly the discussion with ordinary Canadians on this deal or you do us all a terrible disservice.

Thank you.

The Chair: Thank you

Ms. Elisabeth Rowley.

Ms. Elisabeth Rowley (As an Individual): Thank you very much, Mr. Chair and members of the committee.

My name is Elisabeth Rowley. I'm the leader of the Communist Party of Canada. We will be making a submission to you before June 30 in writing, but I'm here today to urge the government and urge all parliamentarians to stand up for Canada and to refuse to ratify the deal.

This is a very bad deal for Canada. It's probably a very good deal for multinational corporations, but it's a bad deal for the public interest, it's a bad deal for workers, for women, for farmers, for indigenous peoples, for people who are concerned about the environment—for Canada. This a secret deal, furthermore. As someone mentioned, it's been in negotiations for eight years, but the public didn't know anything about it until quite recently. In fact, the latest polls show that half of Canadians don't know anything about it. But this is a huge deal that will affect every aspect of life. Why hasn't the government and why hasn't Parliament taken this to Canadians to ask them what they think about it? The answer, I think, is because it is so heavily weighted to the interests of for-profit corporations that they know that the public would oppose it.

There were demonstrations across the country at your hearings. Surely you must be aware that there is very widespread public concern and opposition to this deal. At the very least this means there should be a prolonged period of discussion with the public so that people can do more than stand at the microphone for two minutes to express their views about this.

In the interests of Canadian sovereignty and independence, protection of our environment, respect for the rights of indigenous peoples, creating jobs in the secondary industries and manufacturing, instead of destroying them in the interests of protecting medicare and social programs, which will be on the block and subject to investor-state dispute settlement mechanisms in which we are going to see big box stores replace public health care and other public services that—

• (1150)

The Chair: Thank you.

Adelaide MacDonald, go ahead for two minutes.

Ms. Adelaide MacDonald (As an Individual): Thank you for the opportunity to speak.

The TPP, I think, will be financially reckless as far as Canada is concerned. Canada at the beginning of 2015 was contingently liable for \$6 billion as a result of claims under NAFTA, which has provisions similar to what there would be in the TPP. Therefore, the potential financial liability under TPP, where there are so many more countries involved, is far greater.

Secondly, Canada has lost more cases under NAFTA that it has won, and the United States has never lost a case under NAFTA. Therefore, I think that to ratify it would be fiscally reckless.

Democracy and our courts evolved over centuries from the Magna Carta in 1215. At that time a totalitarian king ruled England. Barons began the process towards wresting power from the king. Now it seems we want to create a new king in the form of investors and private tribunals to wrest self-governance from the people of Canada. Their legitimate expectations, a very nebulous term, will decide cases, and Canada and its communities will not be able to enforce core community values.

The Chair: Thank you.

Ms. Sylvia Wineland, go ahead for two minutes.

Ms. Silvia Wineland (As an Individual): I volunteer with the People's Climate movement because I care deeply about the environment that we'll leave to our children and future generations. We are very concerned that the dispute settlement provisions of the TPP will impede the ability of the government to take decisive action on climate change and to make good on commitments to reduce greenhouse gas emissions.

Lawsuits brought by foreign corporations against the Canadian government can derail new environmental policies. Tribunal decisions under the ISDS mechanism can require huge payouts to corporations with no recourse for appeal, and even though the government may have deep pockets, it does come from our taxes.

Also, the chill effect can prevent governments from even pursuing new environmental policies. Just the threat of a lawsuit can be enough to make a government back off, and we've come to this conclusion by looking at cases under NAFTA. It's very clear from NAFTA and other trade agreements that this will happen.

I can only hope that before any vote is taken on the ratification of the TPP the government will seriously consider three questions related to environmental protection.

First, the Liberal government promised to grow "an innovative and clean economy". How can the Canadian government incentivize growth in Canadian clean tech industries, jobs, and products without being sued by foreign corporations if the TPP is ratified?

Second, how will government decisions taken under federal and provincial, and maybe even municipal, environmental protection laws be safeguarded from investor-state legal challenges?

Third, regarding action on climate change, in order to reduce Canada's greenhouse gas emissions—which we have committed to—the government will have to adopt new policies. If these new climate policies undermine foreign profits, how can Canada meet its goal to reduce greenhouse gas emissions without facing prohibitive investor-state settlement payouts?

• (1155)

The Chair: Thank you.

We have Ben Heywood.

Mr. Ben Heywood (As an Individual): Hello, everyone.

I agree completely with what she just said, and I was going to speak on the ISDS, but I will talk about supply management instead.

I am 18 years old. I'm from a high school in Toronto.

The TPP certainly does not sit well with me, nor does it with my comrades.

Supply management is a system under threat by the TPP, and although it is not a perfect system, it does give farms a chance to raise organic and ethically produced produce.

I worked on a farm and I got to experience first-hand the importance of rural farming in Ontario and its positive impact on society in Canada. There's strong environmental impact and there's also economic impact.

One of the examples of environmental impact is that here, because of supply management, we're able to have a dairy farm that can support farmers and support us with only 70 to 80 cows; whereas in the United States, because of the high competition, those dairy farmers are forced to use about 30,000 cows, which, I can assure you, is a strong toll on the environment.

Farming is tough, back-breaking work, and because of supply management you're able to make a living. The TPP threatens that. Let's not blow farmers out of the water with the TPP.

It does not sit well with me, one of millions of students across Canada, and I'm terrified about its consequences not only two years from now, not only five years from now when I've graduated university and entered the workforce, but 10 years from now. What are the future consequences for the youth of today? I'll tell you that it's really hard to understand because the TPP is so complex. An average Joe like me can't make it out.

The TPP does not sit well with me or my future.

The Chair: Thank you very much.

It's great to see young people. Over the last few weeks we've had quite a few young people come to the mike. It's good to see the next generation concerned.

We have Gail Fairley up now for two minutes.

Ms. Gail Fairley (As an Individual): The next generation is really bright. You should be listening to them.

We all know that the TPP was developed by and for corporations and that it entrenches and expands the rights of corporations. It doesn't protect the public good. Our elected representatives, however, are supposed to have the backs of all Canadians and to make decisions for the public good.

If our elected representatives had run for election on a platform saying that you were going to agree to extending patents and all our drugs were going to cost more money, if you had said that you were going to eliminate the possibility of a future pharmacare program, if you had said that you wanted to sign an agreement that would result in more offshore jobs, or if you had said that you would grant corporations the right to sue our governments for lost profits when we exercise our sovereign right to protect our environment, none of you would have been elected.

Voices: Hear, hear!

Ms. Gail Fairley: The first thing is, you don't have a mandate for this TPP.

Mr. Van Kesteren, when you keep saying to somebody over here, "oh, is somebody in your group, would they disagree with you?", that's like a stupid thing to say. I work—

• (1200)

The Chair: I'm sorry. I told everybody in the crowd. We're not going to start that, because we don't have a position to go back to. You only have 10 seconds left, so finish it off.

Ms. Gail Fairley: I work in an organization where everything we do is based on evidence-based research. It's based on data. It's based on thorough investigation before we ever move ahead with anything, and that should be happening with the TPP.

The Chair: Thank you.

Ms. Linden Jane Milson, you're up for two minutes.

Ms. Linden Jane Milson (As an Individual): I grew up with media and educators telling me that Canada was a leader in peacekeeping, in human rights, and in environmental stewardship. None of this has ever been as perfect as it was made out to be to children, but I still grew up believing in these values. I feel proud of those values, and I believe that my country believes in upholding them.

The types of provisions in the investor-state provisions and other elements that lower our standards are big concerns to me because of how they can limit our ability to lead at the global level. These are the same sorts of concerns that have been coming up all morning.

Environmental reform is going to require very difficult and tough decisions. They're going to be hard on some industries in the short term. If foreign investors can sue us or try to sue us for the high standards that are needed to lead by example, then politicians are going to hesitate. It's going to be difficult to make the decisions to make that kind of a stand.

Canadians aren't the only citizens who are speaking out right now. From what I can tell, citizens involved in all of these countries are raising the same sorts of concerns. This deal doesn't do good things for any country. It fails to protect their sovereignty and only benefits corporate interests.

Many leaders are watching. They're watching what other countries are doing right now and watching their decision-making processes. This in itself is an opportunity for us to lead, to be able to reject the TPP under the current terms, and to send the message to other nations that it's possible to put that sovereignty first.

The Chair: Thank you.

Go ahead, Ms. Koberinski.

Ms. Jodi Koberinski (As an Individual): I am here on behalf of the Beyond Pesticides network. I wanted to start by thanking our grandmothers who spoke at the beginning, and thanking our young people who came. You are the conscience of this country right now, the young people and the grandmothers, so I want to honour you.

I am going to dial this back. There is a lot of conversation about this provision and that provision, and I think we have to have an underlying assumptions conversation. If anybody has had the good fortune of watching Naomi Klein's *This Changes Everything*.... As a thesis in that movie and in that book, she talks about the story we tell ourselves and the need to change the story. The TPP is attached to an old story, a dying story, a story that is based on falsehoods.

You Liberal MPs were elected by the people of this country to reject the kind of politics that we had from your folks across the aisle here. We are not about negotiating in secret.

Voices: Hear! Hear!

Ms. Jodi Koberinski: We came to this agreement three years in. If you want to negotiate for this country the kind of deal that Greece got under the EU, that is what we are doing, because we have arrived with deals made that put us at an uneven keel with our trading partners, and this is unacceptable. You do not have the policy opportunity to renegotiate this. The only thing you can do is reject it outright.

This deal privatizes the profits and socializes the risks, and we are tired of it.

The cozy relationship that those of us who were here at the beginning witnessed from these three gentlemen and industry—about how they were part of the negotiation, and “We worked together on this and that”, while the MPs from other sides of the aisle did not have the ability to see that agreement before it was signed—is shameful.

The way, Mr. Ritz, that you spoke—

• (1205)

The Chair: Your time is up. No, as soon as you mention a person's name....

Ms. Jodi Koberinski: [*Inaudible—Editor*]

[*Disturbance in the audience*]

The Chair: You are taking time up from the next speaker.

Mr. Parker.

Mr. Gerald Parker (As an Individual): What happened here? Fair is fair.

The Chair: I know it is very difficult. Your time is not running yet.

If this goes on, we are going to lose speakers at the end. That's the way it is going to have to happen. I am trying to get everybody in, but it is not going to work because I am losing a minute here and there.

Mr. Gerald Parker: Canadians are very passionate. Bless them for it.

Revenue overrides Canada's sovereignty in health care. My name is Gerald Parker. I am the executive director of the Institute of Canadian Justice. We have been called the haz-mat unit for public health—failed public health, public safety, and public interest in Canada. Our colleagues are the best and the brightest. We very much love everyone in this country, and particularly the most vulnerable.

In 2016, as Prime Minister Justin Trudeau said, trickle-down economics has failed. Massive offshore tax evasion is rampant, and public coffers continue to be plundered by apparent piracy. The corporate interests have failed the public interest and act solely in self-interest. Why would anyone give the fox a virtually unfettered reign? It is dangerous and simply a cop-out, a relinquishment with deadly and dangerous results, and unending litigation to aid and abet private profiteers. The revenue overrides and refusal of common sense must end. Canada cannot afford to put trust in and protect less-than-moral interests. The public interest is paramount. This is Canada, and it's 2016.

Let's talk specifically about the TPP on the sustainability of health care and its foundational cornerstone of the societal revolution in Canada. Without health, we have nothing. As per the *Canadian Medical Association Journal's* report on prescription adherence in Canada, already 60% of vulnerable people take 50% of their medication due to hashtag, cat food, prescriptions, or parking decisions. This is a huge societal cost, exacerbated by hyperextended pharmaceutical products, a manufactured opioid pandemic, and medical extortion of our dying and chronically ill Canadians—your parents, our children. This is not about us or them. This mentality must end. It is sickening...as a nation and as a world.

The TPP is a cancer upon sustainable public health. The TPP will campaign and drive health care sustainability into the ground. For what? Corporate offshore profits...and eventually refuse and concoct rackets, just like this, to avoid paying their way.

If I may, just 10 seconds....

The Chair: Well, you're just robbing it from somebody else. Go ahead.

Mr. Gerald Parker: I don't rob. I don't want to rob.

The Chair: I think your time is up, sir.

Go ahead, Subir Guin.

Mr. Subir Guin (As an Individual): Thank you, Mr. Chairman. I appreciate this opportunity.

I would say at the outset that I'm not opposed to trade, but the important thing that is being left out is justice and fairness. What I have found is that through the experience of NAFTA, and particularly the case of Ethyl Corporation, which tried to introduce this leaded compound into gasoline.... And of course, our government decided after being advised by the medical profession that this was very bad for neurological.... It's a neurotoxin. So when we tried to stop Ethyl Corporation from putting this ingredient in, we were punished, and the matter was settled out of court. I remember this happened during the Chrétien administration.

Things like this are likely to happen again unless we have more teeth in the rules and regulations in the dispute settlement. So that's number one.

The other point I was going to make is this. As far as the dairy industry is concerned, I don't want to see the importing of milk that has bovine growth hormones.

That's just one point. A lot of my other points have already been covered so I'll save you that, but I would like to make one final submission.

There was a freelance reporter in San Diego in the early negotiations, and he turned out to be the sole reporter who was allowed into the conference, and he spoke out against TPP, outlining most of the arguments that have been raised by other witnesses here.

Thank you.

• (1210)

The Chair: Thank you.

I have to apologize to the previous speaker. I shouldn't have said the word "rob". I should have said you were taking minutes away. It wasn't the right terminology for me to use, so sorry about that, sir.

Mr. Gerald Parker: I'm not a criminal.

The Chair: Ms. Batchelder.

Ms. Elanor Batchelder (As an Individual): To me, all of our most serious problems are being exacerbated by globalization in general, and by trade agreements in particular.

TPP is the latest and most extreme of these, and the largest, with reportedly 40% of world economies involved. We are told that it is so big that we cannot afford not to be in it. This is a scare tactic. It relies on the fear of future events, and reminds me of the U.S. banks that were too big to fail.

Since its first multinational trade agreement, NAFTA, in 1994, Canada has, it is claimed, experienced significant growth in trade and investment. However, over the same period, Canada has experienced increased economic inequality and precarious work conditions for more people. For one example, pension funds have grown, but the number of workers likely to receive pensions has shrunk. I fear that this new agreement, the TPP, will bring not positive, but negative change. It will further weaken the protections. TPP will make it much harder for national governments to create and maintain just societies. Countries will be forced to submit to a rule of

untrammelled profit, rules to be determined by multinational corporations, and benefiting first and foremost the already wealthy.

I already feel powerless in the face of the too great influence of big money in our politics and laws; powerless in the face of growing poverty, inadequate housing, and the lack of options for workers seeking security and meaningful work; powerless to stop climate change. And now are we expected to approve an agreement that allows foreign money interests to force the Canadian government to abandon any law or policy that limits their corporate profits? Surely this is the grimmest parody of international co-operation.

The Chair: Thank you.

Go ahead, George Taylor, for two minutes.

Mr. George Taylor (As an Individual): I wanted to talk about copyright and intellectual property. It seems to be a subject that's very important these days since the attempt for the ACTA treaty was widely condemned. We desperately need copyright reforms. We have problems with orphaned works. We have a problem with corporate lobbyists for the MPAA taking over centre stage and telling us what they want each time. It just grows like a cancer on the society, and the TPP is only going to enforce that and make it worse. It's going to eliminate the possibility of copyright reform because it will require an agreement of all members signed to the TPP. Somebody just sold out the store, and we can't have this.

Thank you.

The Chair: Thank you, sir.

Benjamin Donato-Woodger, you have the floor. Go ahead, for two minutes.

Mr. Benjamin Donato-Woodger (As an Individual): Thank you.

My name is Ben, and I am 23 years old.

Governments like this one have been negotiating and failing to take the action that the science says we need on climate change for my entire life, failing to keep fossil fuels in the ground. The TPP will continue this trend. We know it equals climate change. It will prevent our governments from regulating corporations to keep fossil fuels in the ground. But we know that this process was created for corporations and not for us.

I'm here to send a message to the government. We know you're going to ratify the TPP. We know you're on the side of fossil fuel companies that are locking us on a path to runaway climate change. And we plan to stop you. We don't have time for the TPP, and we don't have time for your bullshit negotiations.

• (1215)

The Chair: Thank you.

Go ahead, Sharon Howath.

Ms. Sharon Howarth (As an Individual): My initial concern with the TPP was the private tribunals, that corporations would be allowed to sue the Canadian government if they passed laws that would help us, the people, with health, climate change, environment, and inequality. But a greater tragedy has since affected my family.

When Emily was in grade school, she was in a class of high achievers. She was picked, among all the people in her class, to go to a leadership training camp. At her grade 6 graduation, she was given the award for best student. In high school, her teachers told me, you have to keep her in science. She's a model student. In university—we didn't even apply for a grant—she was given grants. She was given a scholarship. In her last years of university, she was, again, awarded a private scholarship. She's 29.

Last year she was diagnosed with rheumatoid arthritis. She has to take medicine for the rest of her life. What is happening to her body is it's attacking the healthy cells. She could end up crippled. Even the drugs she's on have horrific side effects. We're barely able to make the payments. I don't know if she's going to be able to work part-time or full-time. We just don't know what the future holds.

This TPP is telling me that these multinational corporations can decide if my daughter is going to have drugs for her illness.

Can you guarantee me that Emily and my family, and people all across Canada, will continue to get the drugs they need for their diseases? They did not choose to have this. Can you people on the committee guarantee this? Can you pass something like this, knowing there's a possibility that people... I'm from generations of Canadians. I can't remember when my ancestors came to Canada. Can you guarantee me that you will not pass this?

The Chair: Thank you.

Go ahead, Grant Orchard.

Mr. Grant Orchard (As an Individual): Thank you.

Mr. Wildeboer has echoed the whole sentiment of the proponents of NAFTA, that we have to be in the club or else we're going to be left out in the cold. This is like what John Crosbie said in 1988, that we have to be in the club, that we have to be in the tent pissing out rather than outside pissing in. That is just another one of the fallacies.

What's happened to the World Trade Organization? We're in that. That's an international body with a dispute settlement mechanism. Professor Bhagwati from Columbia University said that these trade agreements represent "a 'spaghetti bowl' of preferences and chaos in the world trading system" and the dispute settlement mechanism of the WTO.

Mel Clark is a former chief negotiator at the Tokyo round of the GATT. He's written an excellent book called *Independence Lost: How Mulroney and Harper Gave Control of Canada to the United States*. He said these trade agreements, the NAFTA and these other trade agreements are moving away from free trade. Another writer said that many aspects of the TPP reflect U.S. business.

Let's take a quick look at NAFTA. Estimates are that we've lost around 350,000 jobs over the last six years. Other people have said Canada is the most sued country in the world. We now have a majority of workers in Ontario with precarious work, part-time, no

benefits. These companies move wherever they want, and they expect to sell back to us. And where are our jobs?

This has prompted Heather Mallick to write in her article the other day, where can I shop Canadian? What's left?

I will ask the question again. Where is the mandate for this? This is an expansion of NAFTA. We know what NAFTA has done to Canada. This is just neutering the federal government's ability to set in place legislation for the national interest of the country.

The Chair: Thank you, sir.

Go ahead, Simone Romain, for two minutes.

Ms. Simone Romain (As an Individual): My name is Simone, and I came down here to speak today because I just actually found out about this hearing last night. I can't believe that I just heard about it last night. I took the day off work today to come down here to speak even though I'm going to be losing my wage for coming down here to speak. But I needed my voice to be heard because I feel that the education around the TPP and the consultation around the TPP have been completely inadequate. I just needed to come down here and lodge my opposition in person. I'm not much of a public speaker, and I'm very nervous, but I'm doing this anyway.

My main concerns with the TPP are in terms of my access to healthy food and food security. I feel really proud of my country's being able to provide for me dairy that I can drink with confidence. I don't have to buy organic milk in Canada, and that means a lot to me. If the TPP goes into place, I will no longer be able to have confidence in my dairy supply and my food supply in general.

I'm very concerned about bovine growth hormone being in my dairy, not being labelled, and me not being told, so that's a big concern.

I'm also very worried about the ability of the TPP to be influencing our government's ability to make decisions that support public opinion and being pressured by private corporations and international private corporations instead of public opinion.

● (1220)

The Chair: Thank you.

Over the last few days there have been a lot of people who came to the mike for the first time at this session, and it's a hard thing to do, and we appreciate what they're doing in coming to the mike.

We have Gail Ferguson next.

Ms. Gail Ferguson (As an Individual): My name is Gail Ferguson and I have worked as a librarian for most of my life, so I know the importance of information, information sharing, and community engagement.

I would say that there are a lot of things that I'm learning today from coming here and hearing different people speak about their concerns about the TPP. This afternoon I'll probably have some conversations with neighbours and friends, and this evening over a glass of wine we'll talk about some of the issues that I learned about today.

I appreciate my two minutes here. I think it's an opportunity for the government to engage their community, the broad community across Canada, in talking about the TPP. Someone mentioned earlier that there are a lot of new MPs who were just elected last fall. This is a huge learning curve for them, as it is for all of us.

However, to have one hour for the people of Toronto, the GTA, and the surrounding communities to come to speak is insufficient. Secrecy and democracy are incompatible. We need to open this up further and have more opportunities for people to get together to engage about this very important topic.

Thank you.

The Chair: Thank you.

I'd just like to remind the audience that there are going to be a lot of members of Parliament doing round tables in their own ridings over the next few months, and we're going to take their submissions also.

We have Josephine Mackie here.

Ms. Josephine Mackie (As an Individual): Yes, I'm also known as Josephine Grey, and in that name I was appointed by the Liberal government in 1995 as Canada's observer on domestic issues to the World Summit for Social Development.

I'm doing my job by coming to the microphone, although it's for such a brief time.

What I want to put on the record is that not only does the TPP and its provisions threaten all of the various agreements in which Canada has been engaged in terms of the millennium development goals, sustainable development goals, world summits for social development, and the like, it also violates previous international law treaties that involve human rights.

For example, if we look at the treaty on the International Covenant on Economic, Social and Cultural Rights, which was signed in 1976, we can see how TPP violates that treaty by just going through the first couple of articles of that treaty, the first being that we must have the right to self-determination on how we dispose of our resources. This puts the predatory investor class ahead of our right to democracy.

Under article 2 you are supposed to invest a maximum of available resources, which includes our tax dollars, in reinforcing, supporting, and upholding our human rights. If you allow for corporations to sue, and our tax dollars are spent defending our country in court, then you have violated that article as well.

Under article 3 we have to have non-discrimination. That means for those who are poor in this country—like the people I represent: new Canadians, children, youth, and low income people—you are discriminating against all of those who are vulnerable in this country by allowing investor-state corporation class people to overrule and override our sovereign right to make our own rules.

Lastly, if you look at the agreements Canada has signed, we have also committed to the notion that all elected officials' first duty is to uphold, support, and promote our international human rights. That is your first duty as an elected official.

You have this as a way in which you could counter this kind of agreement, and you have every right and a duty to do so.

Lastly, I would say—

• (1225)

The Chair: Thank you.

William Halliday, you're up.

Mr. William Halliday (As an Individual): The TPP is a secret trade agreement that will only benefit multinationals, multi-millionaires, large law firms, lobbyists, and our big brother, the U.S, which has ravished its own and depleted its own country.

There will be more and more censorship on the Internet and in the packaging of goods. We will not be allowed to label foods with MSG, GMOs, growth hormone foods, etc.

We will not have the freedom to choose. Secrecy is the number one order of business. Don't let the people know until it is too late.

Past trade deals have not benefited most Canadians.

We have seen big losers in manufacturing where companies have gone overseas and to Mexico. With them have gone good paying jobs and also some average paying jobs. Telemarketing, office work, call centres, and everything are going overseas. There are more unemployment and big losses in full-time work. More workers are being told to become contractors, or independent businesses, or corporate businesses, and being forced to take jobs or not work.

The Chair: Wrap it up, sir.

You have half a minute, go ahead.

Mr. William Halliday: Companies don't have to pay for insurance, health benefits, holidays, or pensions. The Canadian government and the people will have less and less to say about how Canada is run. Canada will be run even more by multinationals and multi-millionaires through their highly paid lobbyists and lawyers. They have more clout than 98% of Canadians.

The Chair: Thank you, sir.

Go ahead, Tali Chermin.

Ms. Tali Chernin (As an Individual): I want to thank everyone who came here today to speak, and I want to echo your anger, your fear, and your frustration. I think it's telling that in the two hours the corporations had to speak, most of them spoke positively about this, whereas every single person from the community who has spoken about this has had nothing but concerns.

In reading through the TPP, and specifically speaking to the dispute settlement mechanism, I find it so dangerous, so undemocratic, and so harmful to Canadians. It is going to harm our efforts to better our environmental policy and our strong local economic growth, and it will harm third world countries, as well.

The TPP was a driving force against Harper in the last election, and I want to remind you of that, because if you ratify it, that same driving force that pushed Harper out of office will likely cost you your jobs.

Thank you.

The Chair: Thank you.

Go ahead, Richard Grace.

Mr. Richard Grace (As an Individual): I think for a moment we should concentrate outside of Canada and look at other jurisdictions particularly with respect to the ISDS private arbitration mechanism.

There was an article in *The Guardian* a year ago, so it may need updating. It was on June 10, 2015. It catalogues the experiences of several other jurisdictions, in particular, Bolivia, South Africa, Australia, Germany, and India. All of these jurisdictions have come away sadder and wiser men in connection with the ISDS mechanism. India and Bolivia in particular and South Africa have said that they will not enter into future agreements like this that have ISDS provisions.

By the way, in terms of whether you have to be in these agreements or not, *The Guardian* points out that Brazil has never signed up for this system. It has not entered into a single treaty with these investor-state dispute provisions, and yet it has no trouble attracting foreign investment. In fact, it is booming.

The last point I urge, in terms of the government's priority for environmental protections, is that you should at least look seriously at a carve-out for the environmental protections, because the foreign investors are going to have a field day. I refer the committee to the article by Osgoode Hall Law School professor Gus Van Harten, who called for an ISDS carve-out to support action on climate change. I can provide the committee with copies of that, and I think you should look at it very carefully.

• (1230)

The Chair: We appreciate that. We'll take that into consideration.

Go ahead, Dunstan Morey, for two minutes.

Mr. Dunstan Morey (As an Individual): Thank you for the opportunity to speak. Forgive me if you've already heard this numerous times, but I think it bears repeating. I don't understand why this even needs to be said.

I don't understand why everyone in this room is not in complete agreement about a few basic things. I would have thought that everyone here would agree that democracy is a bottom-line value.

Whether it's our parliamentary democracy or some other form of democratically elected government, at the end of the day, the people have the right, through their elected representatives, to jointly write the rules to which we all submit.

I don't understand why everyone in this room is not upset to think there should be a set of rules that will trump the will of the people, as expressed by their democratically elected representatives. I don't understand how anyone in this room can think it's okay that foreign investors get to be above the law as determined by elected governments, and, worse, that it's okay for these investors to be able to take our government to court for making decisions the investors don't like, even though we elected the government to make those decisions on our behalf—decisions like restrictions on tobacco in Uruguay or on nuclear power plants in Germany, or on fracking here in Canada. I don't understand how anyone in this room can think it's okay that foreign investors aren't bound by the decisions of our courts, that they are able, under the TPP, to seek compensation for those decisions, that they can challenge those decisions in tribunals adjudicated by arbitrators who make their living by ruling on claims that can only be brought forward by those same investors.

I was going to make a comment about how it's evidence of democracy that I'm here speaking, but it was a previous government that negotiated this deal, and 60% of the electorate rejected that government. I implore the current government to respect the mandate it received and reject the parts of this deal that entail that elected governments in Canada must submit to the will of foreign investors.

Thank you.

The Chair: Thank you.

Go ahead Aby Rajani.

Ms. Aby Rajani (As an Individual): Good afternoon, my name is Aby Rajani. I'm a mother and a grandmother, and I care passionately about Canada and its legacy to our children and grandchildren. I also care deeply about the plight of the poor, not just in this country but around the world, and that's why I've plucked up the courage to speak to you today.

There are so many issues that concern me about the TPP, but there are two that I would like to focus on: medication, and the investor-state dispute settlement.

Starting with the effect of the TPP on the cost of medication, according to *The Globe and Mail*, December 6, 2015, the TPP would lead to three major problems. First, pharmaceutical companies would be able to evergreen their patents, making small changes to a drug to extend its protection from competition. Second, they would be able to extend patent protection if there are delays in the regulatory approval of a new product. Third, developers of advanced drugs, biologics, would be able to keep their clinical data private for up to eight years, thus making it difficult for competitors to create similar drugs.

All three of these accommodations to the pharmaceutical companies would involve delaying the introduction of lower-cost generic drugs, so that medication would be more expensive both in Canada and in poorer countries. The Canadian Centre for Policy Alternatives states that extending patents because of regulatory delays in approving drugs would add an additional \$636 million to the price of drugs in Canada, making drugs and pharmacare more costly.

Thank you.

• (1235)

The Chair: Thank you.

Go ahead, James Westman, you have the floor.

Mr. James Lorne Westman (As an Individual): Climate scientists agree that human civilization cannot survive the 6°C of warming we are in trajectory for by the end of the century. Globally and in this country, we are not reducing emissions quickly enough to reach the Paris target of remaining under 1.5°C or even 2°C. Climate change progresses non-linearly. The rate of warming itself increases, especially when we reach what climate scientists call “runaway” or “irreversible” climate change. After 1.5°C, natural feedback mechanisms kick in, and skyrocketing temperatures cannot be stopped.

Under the TPP's investor-state dispute settlement mechanisms, fossil fuel corporations can sue states for hurting their profits. Hurting the profits of fossil fuel corporations is a political, economic, and moral necessity, because we cannot afford to burn 80% of the world's fossil fuel reserves. The last thing Canada and the global community can afford is to be sued for making the utterly necessary transition to a green economy.

The polluters should be made to pay, but under the TPP, not only does the polluter not pay, we, the taxpayers, the citizens, pay for the polluter. It's simply absurd.

While Alberta burns from wildfires intensified by climate change, with far worse disasters to come, we can debate whether or not Canada will be left behind in the global economy if we don't ratify the TPP, but you can't argue with the climate: 10, 20, 30 years from now, that will be abundantly clear.

We don't have time to be sued by corporations for saving the planet and all chance of decent life on it. That alone is enough to say no to the TPP.

The Chair: Thank you.

Anna Kosior, you have the floor.

Ms. Anna Kosior (As an Individual): Number one, we are on stolen indigenous land. There has not been a single mention of that, and it's going to continue to happen if this deal is ratified as it is.

Number two, we should not sink to the level of the mentality of the nerd trying to get into a fraternity who is pressured to sexually abuse a drunk girl at a party—the drunk girl being our natural resources as well as our sovereignty. We shouldn't think that if we can just join that club it will be better for everyone. Probably not.

Number three, show respect and dignity for the intelligence of your voters by holding these hearings in public. This is not public.

This is a hotel with security where 70 people, at best, are in attendance. That's appalling. Don't call this public. This is private.

Ms. Stephanie Sturino (As an Individual): I'd like to say that, leading up to October 19, there was so much hope. It was like watching a hockey game. We were cheering as Canada turned red. Now the hope—

The Chair: Excuse me, we have to take your name here.

A voice: We're on there.

The Chair: Okay, go ahead.

Ms. Stephanie Sturino: Now the fall seems so much more devastating, watching.... The potential of the TPP being ratified is so high, and the youth vote is so sad. There was so much hope before, and now we are the ones who are going to be raising children in this economy and living in this environment. We are the ones who are going to be taking care of aging parents who can't afford medication.

Please, listen to us. Please, respect our opinion. We had so much hope for the Liberal Party. Please, do not let us down.

The Chair: You have a final half minute.

Ms. Maitri Guptki (As an Individual): This will be really quick. The big question is, how does this benefit youth? There has been very little discussion of that, very little representation of that. If I were to go up to university students, only about 1 out of 10 would even know what this thing is. I think that is the responsibility of the government, which they are failing to do.

I want to say something else. I don't know if everyone will understand this reference, but just because we don't wear pink to the table on Wednesdays, that doesn't mean we shouldn't be able to sit at the table.

• (1240)

The Chair: Thank you.

Go ahead please.

Ms. Daphne Stapleton (As an Individual): The Toronto Raging Grannies are speaking out on behalf of all our grandchildren and your grandchildren.

I am accompanied by Kathleen Chung, Doris Bradley, and Christine De Groot.

The first one is sung to the tune of *Clementine*.

Trans-Pacific Partnership Will Mess Us Up!

In a back room
In Ottawa
They are cooking up a deal
They say trade deal
We say no deal
Show us what the draft conceals
Trans-Pacific, Trans-Pacific
Trans-Pacific partnership
Not a trade deal, but a bum deal
We must stand up and resist

Overtures of our good laws
Food and safety and the Earth
Privacy laws take a hit too
With no laws it's quite a mess

This one is sung to the tune of *How Much is that Doggie in the Window?*

Trans-Pacific Partnership Trade Deal (TPP)

We'll tell you about a lousy trade deal
The one that serves corporate greed
We must not endorse this TPP deal

It's time for us all to pay heed

TPP will limit public health care
Make drug costs go drastically high
Decreasing the timing for approvals

Will kiss solid safeguards goodbye

If we pass a law to make our air clean
Corporations can sue us with force
But if corporations cause pollution

We're helpless and have no recourse

We don't want TPP bringing imports
That threaten sustainable farms
We want to protect our diverse culture

And keep what we treasure from harm

[*Applause*]

Ms. Daphne Stapleton: What we treasure most is our environment and our children. I am Daphne Stapleton, and these were my words: We voted the Liberal government in for democracy; we didn't vote for corporate rule.

The Chair: Well, folks, what a way to end the day. Thank you, everybody, for coming here today. Our time is up. We will have a report coming forward soon.

That ends the meeting. Thank you very much to everybody for coming.

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