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## **Standing Committee on International Trade**

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**EVIDENCE**

**Thursday, September 29, 2016**

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**Chair**

**The Honourable Mark Eyking**



## Standing Committee on International Trade

Thursday, September 29, 2016

• (0735)

[English]

**The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)):** I call the meeting to order.

Good morning, everybody. Welcome to the House of Commons Standing Committee on International Trade.

We are a very active committee. Over the last year, we've been dealing with softwood lumber issues and many other U.S. issues. Besides softwood lumber, we had a lot of agricultural issues with chicken and dairy. Also we're dealing with the European trade Agreement that is getting tidied up now, which is on our plate. One of the biggest things we've been undertaking over the last year is the TPP, which is a huge agreement. It deals with 12 countries, 40% of the world's GDP, and over 800 million people.

Our committee consists of members right across the country. Not all members are here; some of them are still in Ottawa. I'm Mark Eyking and I'm from Cape Breton, and Tracy Ramsey and Dave Van Kesteren are from southern Ontario. Mr. Ritz is from Saskatchewan, Karen Ludwig is from New Brunswick, Madam Lapointe is from Quebec, and Mr. Dhaliwal is from B.C.

This is our last province. We've saved the best for last. We also did a video conference with the territories. We had over 125 briefs and 20,000 to 30,000 emails, which are still coming in. We're hoping to finish our consultations by the end of October and then put a report together for the House of Commons.

This morning we're so glad to have representatives of the Province of Nova Scotia, Minister Colwell and MLA Farrell. We have roughly half an hour. The floor is yours, with no set time. Usually presenters use five minutes, but it's whatever way you want to cut it. We're very interested, Minister, about your recent trip to Asia and your sense of that. We'll appreciate your insights on the opportunity that is there.

The floor is yours. Welcome.

**Hon. Keith Colwell (Minister of Agriculture and Minister of Fisheries and Aquaculture, Government of Nova Scotia):** Thank you very much. If I could, Mr. Chair, I would like to start with a prepared statement, and then maybe we can have an open dialogue after that, if that's all right.

**The Chair:** Sure.

**Hon. Keith Colwell:** Mr. Chair and members of the committee, ladies and gentlemen, thank you for allowing me to appear before you during your visit to Halifax.

I am very pleased to be joined this morning by my legislature colleague Terry Farrell, the member for Cumberland North.

As Minister of Fisheries and Aquaculture and Minister of Agriculture, I take every opportunity to advocate for the importance of trade in the sectors I represent. As the report of the One Nova Scotia Commission pointed out, trade is critical to the future wealth and prosperity of our province, and indeed, in two successive throne speeches, the Department of Agriculture and the Department of Fisheries have identified it as one of the key economic drivers in the province of Nova Scotia. Since the release of the report, we have been working very hard with our partners in the sector and government to meet the goals that it set out and to double the value of exports in our seafood and agriculture sectors within a decade.

I am pleased to say that thanks to the hard work of the people in those sectors, the great Nova Scotians, we are seeing success. Last year, the agrifood sector saw its exports increase by 21% to \$385 million. Wild blueberries played an important part in that, and Mr. Farrell will have a few words on that in a moment.

That success means quality. Nova Scotia-grown and made products are finding their way onto store shelves and kitchen tables around the world. We want that to continue.

We see the success in the seafood sector as well. In 2015, our seafood exports grew by 33%, to more than \$1.6 billion, almost reaching the goals in the One Nova Scotia report in just two years. I am proud to be able to say that Nova Scotia is Canada's number one exporter of seafood. Naturally, we want to see that success continue. To do that, we need to ensure that fair access for our products continues in markets around the world. That is why ensuring that agreements like the trans-Pacific partnership protect and advance Canada's interests is so important to our agriculture and seafood sectors.

That is also why it is important that we work vigorously to oppose any moves to unfairly close borders to our products. Recently there has been a lot of concern within our government and the lobster industry about the efforts in the European Union to have North American lobster declared an invasive species and ban the imports of live lobster from Canada and the United States. Since we are Canada's leading seafood exporter, including \$200 million in live lobsters in 2015, every market is important to our lobster industry. The potential loss of the European market, which accounted for over \$66 million in live lobster exports for Nova Scotia last year, would be detrimental to our sector. We want to see fair access for Canadian lobster exports maintained. We are disappointed and concerned with the recent opinion by the European Union's scientific forum recommending further consideration of Sweden's request that North American lobster be labelled an invasive species, possibly leading to an import ban.

Nova Scotia will continue to support Global Affairs Canada, the Department of Fisheries and Oceans, the Canadian Food Inspection Agency, and the Canadian lobster industry in their efforts to ensure that the European Union makes decisions on this issue that are based on fact and not speculation. It is still quite some time before the EU makes a final decision, so our efforts remain critically important.

At the same time, we are working hard with industry and our government partners to develop other export markets for our high-quality, premium seafood products—markets like Asia, which is covered by the TPP. In Asia, our seafood exports totalled \$407 million in 2015. We see the potential for continued growth in that market as its share of the world's middle class continues to grow between now and 2030.

As I said a few moments ago, our success depends on ensuring that we are successful in every market we can reach. It also depends on our ability to ensure that the stability of our domestic markets for agriculture products is not adversely affected by an agreement like the TPP.

As Minister of Agriculture, I have been very clear with our federal counterparts that trade agreements must not compromise our successful supply management system. Supply management has allowed producers of agricultural products to ensure that good jobs are available in our rural communities. It has also ensured that domestic markets have a dependable supply of fresh local products for consumption.

● (0740)

I urge the federal government to continue to balance the export gains that are possible through trade agreements with our national interest in preserving the advantages of the supply management system. That includes ensuring that producers are adequately supported in countering any negative impacts of trade agreements like TPP. We want our exporters in agriculture and seafood to succeed. We want that success to keep our rural and coastal communities vibrant. That will happen in free trade that's balanced with fair access for our products.

I would now like to allow my colleague Terry Farrell to say a few words about the importance of the wild blueberry to Nova Scotia.

**The Chair:** Go ahead, Mr. Farrell.

**Mr. Terry Farrell (Member for Cumberland North, Legislative Assembly of Nova Scotia, As an Individual):** I want to thank you, Mr. Chair and the members of the committee, for giving us the opportunity to be here today. I'm very grateful for that.

I'm the member of the legislature for Cumberland North.

Cumberland County is the hub of wild blueberry production and processing in the province. It's at the forefront of change, development, and growth in the industry. It's home to the biggest and most successful producer and exporter of wild blueberries, Oxford Frozen Foods. I know you're going to hear from their representative, Mr. Hoffman, later today. They've been instrumental in making Nova Scotia wild blueberries the most important export fruit crop in Nova Scotia.

In 2015, our province exported over \$122 million worth of wild blueberries. That's 32% of all of Nova Scotia's agrifood exports.

Blueberry producers, large and small alike, have really stepped up their game. Our government is supporting them to employ best practices, and this has resulted in greatly increased productivity.

We're ready to compete on world markets. Unfortunately, one of the results of this increased productivity has been low prices. This has resulted in a very difficult year that has seen many of our growers leaving crops in the field.

To counter this recent trend, we need government support to help us gain increased access to markets in places like Asia. This is how we're going to increase demand and reward producers for their hard work and innovation. This is something the industry has talked about publicly, and I know you're going to hear later this morning from members of the Wild Blueberry Producers Association of Nova Scotia. We are all actively encouraging the federal government to use its leverage in Asian markets to gain more access for our blueberries. This is what will start expanding market access through trade agreements.

I know how hard Minister Colwell and other members of our government are working with industry and other government partners, such as the federal government, to make this happen.

On behalf of the communities and the producers in my riding, I also encourage the federal government to make that a priority.

Thank you once again for having me here today.

● (0745)

**The Chair:** Thank you, gentlemen.

We only have about 10 minutes, so I've decided to just give each party a few minutes to ask a question to the minister and Mr. Farrell.

Ms. Ramsey, do you want to start? Take a few minutes; there's no set time. Each party can ask a question, and maybe Mr. Colwell will wrap up.

**Ms. Tracey Ramsey (Essex, NDP):** Thank you for your presentations and for joining us here this morning.

It's great to hear about Nova Scotia agriculture. I come from a rural riding myself.

You mentioned the lobster ban. Are you concerned that something similar will happen with TPP countries, that a non-tariff barrier may come up that would impact that sector?

**Hon. Keith Colwell:** Could you repeat that, please?

**Ms. Tracey Ramsey:** When you were speaking about the invasive species—and I believe you referenced Sweden and the issue you're having in regard to the European agreement—do you fear or have similar concerns of a ban in TPP countries for this same invasive species?

**Hon. Keith Colwell:** It doesn't appear to be an issue at this present time, and I don't think it will be, but again, who knows? It's hard to say.

We're really concerned about the European Union. Hopefully we'll be successful with the federal government and the other provinces all working together to make sure that the ban doesn't happen.

It is going to affect the U.S. as well, because a lot of our lobsters are shipped into the U.S., where they are then shipped to Europe as U.S. lobsters. This is unfortunate, but it does happen. Hopefully, we'll be able to reverse that trend over time.

It is a serious issue for us. It's one of those issues on which, realistically, is there science to back it up? We hope there isn't.

**Ms. Tracey Ramsey:** I have one other quick question. How many dairy farms do you have here in Nova Scotia? Can you speak to the threat that they would face under the TPP with the supply-managed sector being open? I know you mentioned the compensation. We're unclear whether the current government will honour the previous government's commitment, but I wanted to get a snapshot of dairy farms here in Nova Scotia.

**Hon. Keith Colwell:** I can't give you the exact number of farms, but they represent the biggest sector in Nova Scotia. It's \$564 million a year, I believe, in the rural economy. Dairy has a huge impact on Nova Scotia, but it's more than just the financial part of it: we should be looking in more at food security. I'm talking about safe food and also the supply of food. If, for instance, something happened at the border between New Brunswick and Nova Scotia, we would run out of food in two weeks. Realistically, our grocery shelves would be cleaned out in two days. That's a serious factor, and that could happen, for all kinds of reasons.

There was a goal set of 20% self-sufficiency within five to 10 years. I think we have to go further and faster than that to ensure that we meet our goal. It's a serious concern not only in Nova Scotia but right across the country, and people aren't talking about it.

One thing I will say about Nova Scotians is that they're really stepping up to the plate. They're interested in buying local food and local produce. We have much better control of the quality, the food safety that goes with it, and the supply. We're working closely with the agriculture and fishing industries to see if we can't get a sustainable food supply, well above 20%, for Nova Scotia.

**The Chair:** Thank you.

Thank you, Ms. Ramsey.

We go now to the Conservatives.

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

Keith, it's good to see you again. I know you continue to work hard.

I was interested in where you went in Asia and the reception you had there. I know it's usually top shelf. They really appreciate the quality and consistency of supply from Canada. I know you're focused on food availability here in Nova Scotia, and you would export beyond half of what's produced here. Having a diversity of markets certainly strengthens our position when it comes to demanding a better price. I'd like to hear about where you were and what discussions you had.

• (0750)

**Hon. Keith Colwell:** I recently came back from Hong Kong and China. We're planning to go to China again in October and November. We still have to make sure I can get out of the legislature to do that, but the premier's office has given me the go-ahead, so that's a good indication.

**Hon. Gerry Ritz:** Yes, the big food shows are on then.

**Hon. Keith Colwell:** I want to thank you for the great work you did in China as Minister of Agriculture, and for the fine working relationship we had. It's a great market for us. We've seen our seafood trade, particularly in lobsters, grow by 200% to 300% a year, and we mean to continue that trend. We really have to look at those markets. The markets are demanding higher quality now than they were before.

We're working on a lobster quality project in the province now with three or four companies, for live lobster. There has been a concern that lobster quality wasn't as high as it should be. We're working on that now and we've worked on a new brand that we announced in China. We haven't announced it in Nova Scotia yet, but we announced it in China and Hong Kong when we were there. It went over very successfully, and the new brand is 45N 63W. It identifies a location in the centre of Nova Scotia, actually a very historic site. It's the site of a disaster at the Moose River gold mine that happened in the 1930s and was the subject of CBC's first live news broadcast. We're going to move a monument to that location and do some other things to make that a very special place. Luckily, it's on crown land, so we can do the things we need to do there.

Only companies that have high-quality products will be allowed to use the brand, companies with a consistent quality assurance system. We're working on that system now. We feel that we can penetrate the market even further. One of our major customers has demanded this process, and they've guaranteed us in writing that they're going to give us a higher price than they've ever consistently paid before. That is a major change in the marketing process.

Nova Scotia set the standard for Canada with Alibaba. We're the first ones to go to Alibaba with lobster sales, and the first year we did, they charged us \$65,000. We sold \$2.2 million's worth of lobster in 24 hours and we ran out of lobster.

**Hon. Gerry Ritz:** When I was there, they did a little auction on their Internet site and sold 250,000 pounds of Canadian lobster in nine minutes. It was unbelievable.

**Hon. Keith Colwell:** There's no question. I've held up lobsters... You weren't there when I did that, but I held up a lobster and the room was full of people. No matter what they were doing, they went right to whoever was holding up the lobster to see the lobster. It was really something else.

It goes to the culture there. All ladies get married in red wedding dresses, so if you have a red lobster sitting on the table during your wedding, it's a big event. The bigger the lobster, the more valued it is.

Last year we did the same promotion, and Alibaba only charged us \$6,000 to do it. They've seen the real value in Nova Scotia lobsters. We export 95% of all live lobsters in the country, so we are the lobster export people. That's why we're so concerned about the EU sanction, but Asia has tremendous potential.

One thing I still can't get over is that if you say to somebody in Asia to come visit us, just in a casual conversation, they come and visit and they bring a delegation and they want to spend money. It's very positive. We've seen great success there and we're going to expand on that.

**The Chair:** Thank you, Mr. Ritz.

We'll go over to the Liberals. Ms Ludwig, go ahead.

**Ms. Karen Ludwig (New Brunswick Southwest, Lib.):** Good morning, gentlemen. Thank you very much for your presentations.

I represent a riding across the bay. I represent New Brunswick Southwest, and we're also very proud of our lobster production, so it's great that we're all on the same page.

I have a number of questions and I'll try to fit them in. Regarding the lobster production itself, certainly Nova Scotia has done an amazing job of promoting Nova Scotia lobster. How closely are you working with the other provinces in this region to promote jointly seafood production, and lobster in particular?

• (0755)

**Hon. Keith Colwell:** We're working very closely with them. Your minister, Rick Doucet in New Brunswick, is very passionate about his lobsters, and he claims they're better than Nova Scotia's. That's an ongoing discussion.

**Ms. Karen Ludwig:** Rick and I would agree on that.

**Hon. Keith Colwell:** The minister on P.E.I. is the same. We work very closely together, the three of us. Actually, we met a week ago in Charlottetown to discuss lobster and other fisheries and agriculture issues. It's good to see that both of them now are, as Newfoundland is, agriculture and fisheries ministries, because it's a lot better for all of us when we're working together.

We're striving to get a really strong Atlantic working relationship, including New Brunswick, P.E.I., Newfoundland, and Quebec, because we all share the same areas and we have the same problems. I can tell you that when we go to markets like China or any place in Asia and they come and sit across the table from us and say they want a containerload a week of this product, we can't supply it. I think all of us together would have a very difficult time to supply it. This is one thing that we have to start working on closely. We need to see what products we have. Maybe New Brunswick can supply two containers over a year. Maybe we can supply eight, Newfoundland can supply two, and Quebec can supply two. That way we can get to the marketplace. It's all Canadian product. We have to start doing that in a closer and closer working relationship.

It's a very good point. We are doing it now.

**Ms. Karen Ludwig:** My next question is about owner-operator fleets.

Melanie Sonnenberg from the Grand Manan Fishermen's Association, who I'm sure you're familiar with, told us about her concerns over the threat to the owner-operator model. There are a lot of people either offshore or from other jurisdictions operating boats within the local area. As Mr. Farrell said, in the seafood industry and particularly in blueberries, any jobs in the local communities are absolutely critical in rural areas.

That would be one of Melanie's big concerns. Any changes to the owner-operator model are a threat to the local operators and local people who would be hired within those regions. Otherwise the jobs are from outside, and potentially the fish are going outside as well.

Are there any changes that you would like to see within the owner-operator model? Is Nova Scotia comfortable with the model that is there right now?

**Hon. Keith Colwell:** I think the owner-operator model is one of the key elements in the fishing industry in eastern Canada. It has to be preserved, but it also has to have a use-it-or-lose-it tag on it as well. A lot of the owner-operators sit at home and sell their quotas. That's not the idea of the owner-operator fleet. We also have to have the large companies doing the offshore fishing and the other part of it.

It is a whole realm of things that go together. We need to add value. We need to do more processing in each one of our provinces. I think that we should not be competing with each other on certain products.

**Ms. Karen Ludwig:** Absolutely.

**Hon. Keith Colwell:** If New Brunswick is better at processing something because they have more supply than we do, they should be the province that does most of that, but not all of it. I think we want to see more processed locally and more value added locally.

If you use Iceland as an example, the lowest-value product of a codfish in Iceland is the fillet. That's the highest-value product here. The codfish here typically is worth \$45 for one codfish.

**Ms. Karen Ludwig:** How prepared is Nova Scotia in particular for innovation and adaptation within the seafood sector or agriculture sector? You sound as though you're doing well. What can we do as a government, in terms of services, to help further support that?

**Hon. Keith Colwell:** The one thing that we need to put in place—and this applies to both sectors, but more immediately so to the fisheries industry—is automation in our processing facilities. We have to have automation. We can't get enough employees, but we need highly skilled people in an automated environment.

We have, for instance, one shrimp processing facility in Nova Scotia. There are very few employees, but they're very highly paid. That company is one example, and we have many, as New Brunswick and the rest of Atlantic Canada—

● (0800)

**Ms. Karen Ludwig:** Excuse me. Sorry. Can I just ask one quick question, Mr. Farrell?

Are you doing any value work within the blueberries, or are you exporting raw blueberries primarily?

**Mr. Terry Farrell:** Can you repeat that, please?

**Ms. Karen Ludwig:** Is there any value-added processing that you're doing right now with the blueberries, other than than shipping out or exporting raw blueberries in their purest form?

**Mr. Terry Farrell:** Absolutely. Oxford Frozen Foods, I believe, is the largest processor and freezer of wild blueberries anywhere, if I'm not mistaken.

**The Chair:** Thank you very much.

If you want to make a few closing comments, then go ahead, Mr. Colwell.

**Hon. Keith Colwell:** Thank you very much for inviting us here today. It is very important that we work more closely with the federal government to improve our exports, which create a lot of jobs, and to make sure we have food security in the provinces and in the country. I appreciate the work the previous government did with Nova Scotia and what the present governments are doing with Nova Scotia in helping Nova Scotia achieve its goals.

Last year was the first year that we saw a growth in our population and the numbers of employed people go up. That's a very positive sign. I've already talked about automation in our fish processing operations as an area in which we need to move more quickly. There's a lot of fish that's shipped because we can't process it. We can

add that value. Not only do the owner-operators add tremendous value to the community, but so do all the other harvesters. We also need to process that product here and add value. We have some people who are very successful and we're doing more and more of it, but we really need help from the federal government to help finance innovation in that area.

Thank you.

**The Chair:** I thank you again for coming and I wish you good luck with your next trip to Asia. I think that's where we were planning on going in the following year.

I'll suspend for five minutes so that the next panel of witnesses can come forward and get ready to go.

● (0800)

\_\_\_\_\_ (Pause) \_\_\_\_\_

● (0810)

**The Chair:** Good morning, folks, and welcome to the House of Commons Standing Committee for International Trade.

As you know, our main focus is on the TPP and Asia. Our committee has been fairly busy over the last year. We're dealing with softwood lumber and still tidying up the European trade agreement. We always have ongoing issues, especially with the U.S., our biggest trading partner. We have softwood lumber and agriculture issues, and we're still in a process of—I don't know whether to call it negotiating or fighting over it.

The TPP is a big deal. It's 40% of the world's GDP and 800 million consumers. It's a deal that will affect every Canadian one way or another, whether you're buying a product or selling it. We have quite a busy and active study that we're doing here.

We went to every province; this is the last province. We've also had video conferences with the territories and, of course, we are reaching out to all stakeholders. There have been a couple of hundred witnesses, and we also have had individuals. In my 15 years, I've never seen so much interest from average Canadians. We already have over 20,000 emails.

We're going to continue this process until the end of October, and then we're going to work for a few months to put our study together and then present it to the House of Commons.

As you know, we're keeping a close eye on the United States. The election is in full swing. You don't usually see the presidential candidates talking as much about trade in the debates as they are in this one, so we have to keep an eye on that as well.

My name is Mark Eyking, and we have MPs on our committee from right across Canada. Some of them aren't here—they had to stay in Ottawa—but we have Ms. Ramsey and Mr. Van Kesteren from southern Ontario, Mr. Ritz from Saskatchewan, Ms. Ludwig from New Brunswick, Madame Lapointe from Quebec, and Mr. Dhaliwal from B.C.

We had a great night last night enjoying Nova Scotia hospitality and food, and I'm sure you guys represent a lot of it. We ate seafood and we ate agriculture products, and we're going to go out to the Stanfield airport.

Stanfield's is my brand of underwear. What can I tell you? Too much information, too much information, I know. Sorry about that, Ms. Ramsey.

Without further ado, we're going to start out with my favourite organization, the Nova Scotia Federation of Agriculture, which I've been a member of for many years.

Mr. van den Heuvel, you have five minutes.

**Mr. Chris van den Heuvel (President, Nova Scotia Federation of Agriculture):** Thank you very much, Mr. Chair. It's certainly great to see a good Cape Breton face sitting across from me today.

Thank you very much to the entire committee for having us here. We appreciate your time and efforts.

I'm going to get into a brief introduction, and then I'll turn it over to Victor Oulton, who is our CFA director for the Federation of Agriculture.

My name is Chris van den Heuvel. I am the president of the Nova Scotia Federation of Agriculture and a dairy farmer down in Cape Breton.

Nova Scotia has a strong and diverse agricultural industry. Not only is the industry diverse, but many of the individual farms are diversified as well. The agricultural industry in Nova Scotia is made up of farms that supply the domestic markets with dairy, poultry, and horticultural crops, and those that rely on export markets, such as blueberries, mink, beef, potatoes, and Christmas trees. The province also has many commodities, such as apples and carrots, that supply both the domestic and export markets.

The Nova Scotia Federation of Agriculture commends the federal government for doing its best to maintain a balanced position across the various agricultural sectors in the CETA and TPP trade agreements. However, in order for farmers to fully access the opened markets, support programs need to be put in place so our farmers can meet their market demands. On the other hand, producers of commodities that are facing more access by foreigners into the Canadian market, especially the supply-managed commodities, need to be compensated for future losses.

When it comes to international market access, the main priority of the Nova Scotia Federation of Agriculture is to ensure that there are support systems in place for the farmers and commodities that are facing changes to market access. One area of change is for the supply-managed commodities. TPP has allowed market access for all supply-managed commodities of between 2% and 3.25%. When I have spoken with the other commodity associations, each has painted a picture of what their respective reductions in quota will look like. For example, Turkey Farmers of Canada has said that if turkey enters Canada as all-breast meat, which is the expectation, the impact will be equal to the entire yearly production of Nova Scotia and New Brunswick combined. That is a huge loss.

The supply-managed industries need to be compensated for these losses that they will face when trade agreements are ratified. The farmers in these commodities have invested in quotas in order to be able to produce their respective commodities, and these farm businesses rely on the security of the supply management system and base their business plans on it.

Farmers producing under supply-management systems must be compensated not only for their loss in quota, which they have purchased, but also for future losses as a result of imports. Though it can be calculated, since maximum import percentages are known, it will take time for these commodities to adjust to the difference in their production levels. The federal government must come through to fully mitigate the hurt to these sectors that are negatively impacted by these deals.

Collaboration, as Minister Colwell alluded to earlier, is key and very important when it comes to determining what programs will be effective and how they should be implemented. We recommend that any mitigation programs be put in place in consultation with the commodity organizations that will be affected by the trade negotiations.

Now I'll give it over to Victor for a few words.

• (0815)

**Mr. Victor Oulton (Director, Nova Scotia Federation of Agriculture):** Aside from the supply-managed commodities, other domestic commodities face inadequate treatment in comparison to similar products being imported.

Horticulture products that are produced in Canada for the domestic market are subject to CFIA testing to ensure that chemicals not approved by PMRA are not present in the product. However, it is our understanding from the horticulture producers that imports do not face the same rigour of testing. Many of the countries that Canada imports produce from have access to pesticides that PMRA doesn't allow in Canada. This creates a competitive advantage for the imported goods over the domestic products.

Let me be clear: I'm not saying that Canada should allow access to these other pesticides. There are good scientific, justified reasons that we do not use these pesticides. However, a minimum standard for imported goods that is at least as high as the standard for domestic products needs to be in place to protect and support horticulture producers in this country.

NSFA also has priorities as related to the export market. The TPP and CETA trade agreements open doors to the export market for many commodities produced in Canada. While access to these markets will benefit the rural economy in our province, farmers will only benefit if the appropriate programs are in place.

The AgriMarketing program is an example of a current program that will benefit these commodities that are interested in the export market. The program is designed to build and promote Canada's availability to expand domestic and export markets. Considering the significant export potential of the trade agreements that have come into place since the fund was established, the AgriMarketing program needs to be renewed, and ideally increased, to access these markets to their full potential.

An example of how this program has worked even prior to the trade agreements can be found in the wild blueberry sector. The AgriMarketing program and its predecessor program helped the commodity grow and expand into other programs. Without this program, the industry would not have the access to the markets they have today. Also, the wild blueberry farmers and processors see a return on investment on their levies, since AgriMarketing requires matching funds.

The program has also allowed for promotional campaigns in various export markets, including Korea, China, Japan, Germany, and France.

● (0820)

**The Chair:** Can you guys just wrap up there, please?

**Mr. Chris van den Heuvel:** In summary, programs to support farmers facing market access need to be in place. Any program in place should not cancel out any other programs. For example, if a farm produces both a supply-managed commodity and an export commodity, it should be compensated for losses in one while being able to access any available products for market development in another. The worst thing that can be done is to essentially punish a farmer because they mitigated their own risk by diversifying their farm business.

We thank you very much for the opportunity to bring our remarks to you today. We'll be glad to answer any questions if you have any.

**The Chair:** Thank you.

We're going to move over to Stanfield Airport, which is my second home, I think. Every week I go through it and I have to commend the work you guys have done on the parking lots and the new gates. It's a pretty busy spot. I'll never forget the time George Bush came and visited and appreciated all the work that happened at Stanfield Airport after 9/11. It was quite a feat you guys pulled off.

Go ahead, sir. You have the floor.

**Mr. Ian Arthur (Chief Commercial Officer, Halifax International Airport Authority):** Thank you very much, and thank you for having the Halifax International Airport Authority attend this trade committee.

Good morning. My name is Ian Arthur. I am the chief commercial officer at the Halifax International Airport Authority. I'm here today on behalf of the airport authority's president and CEO, Joyce Carter, and our chair of the board, Wadih Fares.

The airport authority is responsible for the management and development of Halifax Stanfield International Airport, one of Atlantic Canada's most critical pieces of transportation infrastructure. It is my responsibility to provide aeronautical and non-aeronautical revenue development for the airport authority.

Halifax International Airport Authority, or HIAA, as we are known, has made significant investments over the past decade to improve its position with regard to passenger and cargo traffic to and from Atlantic Canada. Those investments, including air terminal building expansions and upgrades, state-of-the-art passenger-processing technology improvements, new cargo infrastructure, and a critical extension to our runway, have provided the foundation for the airport's growth and its significant economic impact on the economy, the province, and the region. That impact for 2015 was \$2.7 billion.

The importance of international trade is significant to the airport. International trade agreements, such as the Canada-Korea Free Trade Agreement in effect since early last year, are instrumental in moving Nova Scotia seafood to Asia. Our business arrangement with Korean Air Cargo is a product of that agreement. They have two flights a week, and that's 200 tonnes of fresh, live seafood leaving our airport to Incheon, which is the main airport for Seoul, Korea. We have also signed a sister airport agreement with Incheon, which is the third-largest cargo airport in the world, so we are doing many things to market there and share data with Incheon. It is through Incheon and Korea that Nova Scotia's products get shipped all over Asia.

Agreements such as NAFTA, CETA, and the proposed TPP are of particular interest to HIAA in that they can reduce trade barriers and open doors for Nova Scotia's products around the world. From the airport's perspective, it's the ability to move high-value, time-sensitive products that are best served by air shipment, and this is really what the airport does. It is critical for us to help play a growing part in the economy that's benefiting all of the citizens of Nova Scotia and the region.

From the airport's perspective, I'm confident that I don't have to spend time providing the committee with the details of the current state of the Atlantic Canadian or Nova Scotian economies. I'm not an economist by trade, but we need opportunities to move our natural resources, particularly fresh seafood, to markets around the world quickly and efficiently to obtain the best price in the markets where our products are highly valued. We need to lower or remove barriers to expedite the processes to allow access to these high-value global markets. We need preferential access to the TPP markets. That would be beneficial.

There are many better qualified than I am to provide technical detailed analysis for the potential growth represented by the TPP proposal. That said, I do know this: in 2015, goods valued at \$450 million were exported from Halifax International Stanfield Airport. Of that number, \$150 million was seafood.

The lobster industry is \$2 billion, and 85% of that comes from Nova Scotia. Of that, \$1.5 billion goes south of the border by truck. Fifty percent of that is processed, 50% is live seafood, and that seafood is then exported around the world. The time that it takes to get to market and the quality of the seafood at the other end are of concern to the Nova Scotia government.

• (0825)

Lastly, much of that live product is marked as U.S. product. We know that the vast majority of lobster bound for these markets is reconfigured.

**The Chair:** Can you just wrap up, sir?

**Mr. Ian Arthur:** Yes.

In summary, Halifax International Airport Authority encourages the Government of Canada to enthusiastically pursue trade agreements such as TPP, ensuring that they provide access and opportunities that best serve Canada's social and economic development.

Thank you very much.

**The Chair:** Thank you, sir.

We'll now go from the Stanfield airport to Stanfield's Limited. Go ahead, sir.

**Mr. Jon David F. Stanfield (President, North America, Stanfield's Limited):** There are too many Stanfields.

Good morning. I am Jon Stanfield, president of Stanfield's Limited North America. We are an apparel manufacturing company primarily focused on men's, women's, and industrial safety base layers, or what we call underwear. We have several brands that we manufacture and sell into the North American market.

Stanfield's Limited is our Canadian operation. It is based in Truro, Nova Scotia. Our company was founded in 1856, and has been manufacturing products from the same factory in Truro, Nova Scotia, since 1882. It has been family owned and operated since its inception. I'm here to speak today on behalf of our company.

The apparel industry was a thriving industry in Canada prior to the free trade agreement and NAFTA, which was finalized in 1992. Since this time, the industry has seen employment numbers drop dramatically. Canada also has relationships with such LDCs, or least-developed countries, as Cambodia and Bangladesh, which has also led to a manufacturing exodus due to these countries' low-cost labour pool. Fundamentally, there has been a general shift to offshoring manufacturing in our sector. There are very few companies in Canada like Stanfield's that continue to manufacture branded apparel products.

When NAFTA was enacted, governments of the day needed to determine which industries they were and were not going to support. Unfortunately, apparel manufacturing was not supported. Subsequently jobs left the country. A solution was to have agreements with

LDC nations allowing product to flow in duty-free. Low-cost labour, poor infrastructure, and possibly poor oversight of working conditions has led to abuse and fatalities. In some circumstances, Stanfield's Limited has produced certain products in Bangladesh. It has not been our choice but the choice of our customers, our retailers, who want the lowest price possible.

Canada needs to have access to more open markets for its goods and services. We are a small but mighty nation, and we need to have access to markets to increase trade, allowing Canadian companies to grow and expand internationally. Canadian companies need new markets to have a sustainable future. Canada alone is too small, and scale is only gained through global access. TPP is one of those opportunities. Will some industries suffer? Yes. Do we need human rights assurances and good, clean, healthy working conditions in partner nations? Yes, absolutely.

Stanfield's Limited, through its U.S. subsidiary Performance Apparel Corporation, created a partnership with a Vietnam-based manufacturer several years ago, prior to even contemplation of this agreement. Our vision was that this country would eventually become part of a trade pact like this, and it would have a positive effect on our businesses in both the U.S. and Canada. Vietnam, as an example, has greater infrastructure, a large employment pool, and is more willing to invest in equipment and technology than are other LDC nations.

Our company's objective is to produce as much of our apparel products as we can in Canada. We still produce more than 80% of our branded products in Canada, mostly for the Canadian market. Our challenge in small-town rural Nova Scotia is human capital, by which I mean employment. Our main challenge for the future of our company is to be able to hire people, but we cannot find the skilled labour we require. You might think sewing is a mundane role, but it's definitely a skill. For every 10 people we hire here, one may make it, and that is not sustainable.

Companies like Stanfield's need access to a labour pool. As much as Canadians felt that the temporary foreign work program was a bad program, the TFW was actually a perfect fit for our unique challenges in rural Nova Scotia. It gave us access to a skilled pool of sewing labour. It allowed us to continue to produce a larger portion of our products in this country. These people were gainfully and willingly employed, paying taxes in our province and in our country.

As I look forward, I see our company having to import more products from foreign sources, which takes our money. It leaves the country. As well, it will lead to lower employment levels as we scale the business properly.

Inside of TPP, along with trade, I would like to see access to human capital or labour become transferable between the participating nations. It would allow companies like ours to choose to import product or choose to import labour. I believe this to be very important to our future in Nova Scotia. I encourage movement of people through a type of foreign worker program with the TPP nations. I encourage government to cut the red tape in a needs-based assessment for certain industries. I believe apparel is a specialized and underappreciated job engine in this country.

● (0830)

When we sign these types of trade deals, we need to seriously look at the LDC nation scenario. We need to shift policy away from these types of countries whose track records on working conditions have not been good. LDC countries' access to Canada has only led to a flood of low-cost, cheap products coming into Canada, hurting those who wish to stay and produce here. There are no advantages otherwise, and it should stop.

Canada should participate in the TPP to increase our access to new and emerging markets in the Pacific Rim. It will allow for the flow of goods back into Canada from nations that are investing in technology, innovation, and manufacturing. It will allow for Canadians to lead the way with these investments, as we have done in the past.

Finally, I encourage the government to allow for duty-free and easy two-way access to labour in Canada, thus allowing us to choose where we manufacture.

In the end, trade is global, and human capacity and capital are mobile. Canada must participate.

Thank you for your time, and I appreciate the opportunity to say a few words.

**The Chair:** Thank you, sir.

Thank you all, panellists, for your briefs.

I'll just remind everybody that this is the House of Commons, and we operate in two official languages. If you need translation, then there are translators. You might get questions in French.

We are going to take part in a dialogue with the MPs, and we're going to start with the Conservatives.

Mr. Ritz, you have the floor.

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

Thank you, gentlemen, for your presentations here this morning. As you can see, there are a lot of different viewpoints on whether we should or shouldn't, and how far, and what should be covered and what should not be covered. The deal is there in principle, and we're looking at ratification of the next steps and so on. They were great presentations. Thank you so much for giving them.

I'd like to start with you, Jon, if you don't mind, just because you're on my list that way.

Your last statement was that Canada must participate. I fully agree with you. We can't be left behind. It is a global marketplace, whether we like it or not, but we do have to make sure that Canadian

employees and Canadian employers do not experience excessively negative effects through our participation.

You also made the statement that scale is developed through global access. When you talked about movement of goods and movement of people, I was quite intrigued. The whole TFW process has been a thorn in government's side in some aspects, but it has been the boon that makes things work on the other side. As governments, we recognize the benefit of it, but how do you put forward a process that everyone agrees to? The fallback or safety valve has always been the provincial nominee program. Were you able to make use of that? In moving forward, when you start talking about more skills and so on, it falls back to the provincial nominee so that these people become citizens at the end of the day.

● (0835)

**Mr. Jon David F. Stanfield:** We have not accessed that program. We accessed it once when we could not find a department head for our textile department. We went through that program and brought a person in from Pakistan who had skills in that area. I think that largely it all comes back to the availability of labour. We might not need them for 12 months, but we do need them for a certain time frame, and that's probably a federal program.

**Hon. Gerry Ritz:** Yes, it's the temporary portion of the—

**Mr. Jon David F. Stanfield:** I thought it was not right that the whole thing blew up when the Royal Bank was using foreign workers. There are companies like ours that live in rural areas and need access to labour. Maybe it's not the use of temporary workers, but there is some other moniker that could be used for a federal program or the movement of labour inside of TPP so that we could have access to a labour pool for x amount of time.

**Hon. Gerry Ritz:** Within the TPP there is a labour standards chapter that also allows you to bring in expertise or export expertise from here to your shop in Vietnam on a temporary basis, and it's the same thing coming back. That's in there, so you do have that labour mobility to a certain extent. Whether it will be fine-tuned enough for you, we'll find out.

I was intrigued by the tonnage that's going through the airport. That's phenomenal. Do you have a capacity ceiling you're looking at that will lead you to say, "We are getting close, and we have to expand and do more"? There will be more markets than just the Korean distributorship as we start looking at Malaysia and Vietnam and different things like that too. Is there a glass ceiling that you're looking at?

**Mr. Ian Arthur:** Next year, with the good work that Nova Scotia has been doing with their Asia outreach strategy, we have a significant opportunity. If we can get some agreements in air service through the Chinese authorities and through Transport Canada, then we have a significant opportunity with direct air service to Shanghai. We also have Qatar, which is flying a Boeing 777 in once a week. They're looking at expanding. Next year we are looking at significant growth. We will go from 300 tonnes a week to upwards of 600 tonnes a week of live lobster.

There is a glass ceiling, and we are investing \$5.5 million in a cargo pad. We're building it so we can facilitate that quickly, and we will also need more refrigerated space in the future.

**Hon. Gerry Ritz:** Sure. Part of the problem is the seasonality of some of these products as well. You have big peaks, and then valleys, so it's hard—

**Mr. Ian Arthur:** It's all year round.

**Hon. Gerry Ritz:** Yes, which is great.

All of your workforce at the airport would be unionized?

**Mr. Ian Arthur:** The vast majority, yes, 85%.

**Hon. Gerry Ritz:** We're hearing from all the unions and we'll have some here later today.

They hate this. They don't want this. You're the devil for actually taking part in it. How do you work with your unionized employees who seem to have dug their heels in and are saying, "No way, no how", and yet you are very bullish about moving forward?

**Mr. Ian Arthur:** Well, I don't think our employees are necessarily part of the union groups that would oppose—

**Hon. Gerry Ritz:** The numbers are claimed.

**Mr. Ian Arthur:** Yes. Essentially we're a facility, so our employees work to facilitate all the airplanes, whether passenger or cargo, that are coming through. The more business for them, the more work they get. They're pretty happy about that.

**The Chair:** Thank you, sir.

**Mr. Gerry Ritz:** I'm not done.

**The Chair:** Mr. Ritz, I know you're on a roll, but we have to stop it.

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

Mr. Dhaliwal, you have the floor.

**Mr. Sukh Dhaliwal (Surrey—Newton, Lib.):** Thank you, Mr. Chair, and thank you to the panel members.

My question is to Mr. Arthur.

You mentioned about moving goods efficiently. If we ratify TPP, do you see any improvement in border security in the process? Is there something that you would like to see happening?

• (0840)

**Mr. Ian Arthur:** That's a great question. Border security is of utmost importance, and security at the airport is reliant upon the countries that actually have security in their own country.

We have great arrangements with the United States and most of Europe. It's really important to ensure that there are security agreements between Canada and whatever countries we're going to trade with to ensure that whether it's goods or people, we know what or who they are and we know that they're not coming here to do harm. That's absolutely critical in the aviation industry, as you can imagine.

There are all sorts of goods that are shipped through facilities worldwide that are not what they say they are. The good news is that

we have 24/7 security at our shipping facilities and all shipments are scanned and reviewed. Yes, it's of utmost importance.

**Mr. Sukh Dhaliwal:** Okay. Thank you.

Mr. Stanfield, congratulations. You are one of the oldest successful ventures here locally.

My concern is competing with the world. Most of these competitors are producing overseas. You had to go to Bangladesh because your customers forced you to do that.

In the present climate, how would you remain competitive when all the larger brands rely more on production overseas?

**Mr. Jon David F. Stanfield:** That's a good question, and it's one that we face every day.

Our competitors are all very global. They have manufacturing platforms throughout the world. What we have available to us in Canada is a quick turnaround and distribution play. We were vertical from the year 1 forward, so we can turn around product very quickly and get it into the Canadian market quickly. However, the cost structure in certain areas of our business is much higher than it is for those businesses in LDC nations.

I think the flattening point could be part of the TPP process. If some of the benefits of LDC nations are lessened or lowered, companies can utilize the TPP or other trade agreements, whether it's the European agreement or this agreement, to gain access to markets, whether for labour or for products, and import them to allow them to be more competitive in the marketplace against low-cost nation producers, I think that will benefit our company. I think we'll then have a choice to produce the same amount of products in Canada that we do today.

If not, we're going to be producing less, and once you get to a certain level, all of the products will be imported and all of the jobs will be gone on the manufacturing side. That's significant when you think about rural-based small towns.

**Mr. Sukh Dhaliwal:** Mr. Ritz said that under the TPP you will be able to bring in a workforce as well. Are you keen to get the TPP ratified and take advantage of the terms of that agreement?

**Mr. Jon David F. Stanfield:** Yes, I think so, as long as the skilled labour includes the people who sew, because that's a skill. In the modern world, that's not a skill. A skill is how you integrate technology into your mobile phone or how you integrate technology into a car and these types of things, but maybe not how you sew underwear. The important thing there would be that skills are not tightly defined but broadly defined by industry, versus a specific avenue.

**The Chair:** Thank you, Mr. Dhaliwal.

We're going to move to the NDP now.

Ms. Ramsey, you have the floor for five minutes.

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

A couple of themes came through.

There are some serious gaps between the TPP and what is needed in communities here in Nova Scotia and across Canada in terms of supports, not just for agriculture but across every other sector as well. We've heard that consistently.

The other thing is the perception that we can't be or aren't trading in TPP countries. We're 97% tariff-free with TPP countries already. This 3% is the gap we're looking at. There's a very serious price to pay for dropping the tariffs on that 3%. Essentially, in terms of farming, we've pitted beef and pork farmers against dairy farmers. It's a horrible situation for us to see playing out in Canada, which has the best agriculture in the world, as far as I'm concerned.

Another thing is the money. An economic impact study came out a few weeks ago from the government. It predicts that we'll see 0.127% GDP growth by the year 2040. That would represent \$4.3 billion. Ironically, that's the exact same amount that's promised to supply management in the first 15 years of CETA and the TPP. It's essentially cancelling it out.

This isn't the finance committee, but I think we can do the numbers and say that at the end of the day we won't end up seeing the benefit in Canada. Potentially we need to look at other markets, such as Japan, as we've heard here.

Mr. van den Heuvel and Mr. Oulton, in New Brunswick we heard a prediction that half of all the Atlantic dairy farms would be wiped out with the TPP. I'm wondering if you could speak in terms of Nova Scotia as to what the impact would be on the supply-managed sectors if they aren't compensated. If that money doesn't come forward, what would that look like in Nova Scotia for supply management?

● (0845)

**Mr. Chris van den Heuvel:** Thank you very much. That's a great question.

As we've said, on the turkey side and on the poultry side, the impact is literally wiping out the entire industry. As far as turkey is concerned, the amount of access that's been granted is equal to the entire production of Nova Scotia and New Brunswick.

On the dairy side of things, farm gate sales in 2015 were \$120 million in the dairy industry. If we have to give up, between CETA and the TPP, the approximate 6% to 7% that's out there, that represents a little north of \$7 million in our province alone.

Equate that to a per-job basis. What's an average wage for a farm worker? It's \$30,000 to \$35,000. That means 200 jobs wiped out in Nova Scotia year over year. It's a significant impact.

**Ms. Tracey Ramsey:** Also, then, the loss of family farms is very significant. I come from a rural riding. I know the impact of that loss on communities and on the spin-off jobs that exist because of farms and communities. Simply, towns exist because of the farming.

Thank you for that.

Mr. Arthur, are you familiar with the intellectual property chapter in the trans-Pacific partnership agreement?

**Mr. Ian Arthur:** I would have to say no. Technically, no, I'm not.

**Ms. Tracey Ramsey:** This is one of the chapters that's of great concern.

I won't go into the anti-union rhetoric like my colleague, but the concern in this chapter is the extension of patent provisions for drugs. What that means for Canadians is that they will pay more, the cost to the provinces will be higher, and people will be less able to afford medication. I assume that this would impact not just your employees, but you as well.

This is one of the major themes that we hear in push-back around this deal: the cost to Canada. We're already second-highest in the world in drug costs, and any increase to that would seriously cripple our communities and our ability to maintain health in Canada. This is one of the main themes that people oppose.

I have another question. Are you familiar with chapter 9, the investor state dispute settlement chapter?

**Mr. Ian Arthur:** I'm not the technical person on the TPP.

**Ms. Tracey Ramsey:** Actually, I'm just asking. It demonstrates the point that this deal is massive. It's 30 chapters, with six that have to do with trade in the way that you two gentlemen are speaking of, and that most Canadians can support.

It's the other 24 chapters that are of great concern to public health, public safety, and jobs in our country. The chapter on investor state dispute settlement has been used against Canada repeatedly, to the tune of \$190 million. Currently, we have cases of \$500 million and more that are facing us, mostly around environmental issues.

Essentially, it challenges the government's ability to regulate. When we try to put in legislation, as they did in Quebec to stop fracking, they're sued by companies in the U.S. for doing that.

These are the concerns we're facing, so I encourage you to read the full agreement, and I know it's quite a bit to undertake. I am pro-trade. I would like to see access to the markets that would benefit from that 3%. What I'm concerned about is the rest of the country.

● (0850)

**The Chair:** Your time is up, Ms. Ramsey.

Madame Lapointe is next.

[Translation]

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

Good morning, and welcome to all the witnesses. I am pleased to have you with us today.

You represent people from a variety of industries and that is very interesting.

Mr. Stanfield, I will start with you, but I have questions for the other witnesses.

You talked about duty-free trade. Where do you mainly sell your products? You also said that Canada should continue to support opening new markets. The fact that your company is vertically integrated is a fantastic thing. It lets you respond quickly when you have products manufactured outside Canada. That becomes a real competitive advantage. How can that be taken even further, to continue to keep jobs here in Canada?

In addition, we were told earlier about how innovation and automation could be applied. How can the Canadian government help you do better in those areas?

[English]

**Mr. Jon David F. Stanfield:** We principally sell our products in Canada, but basically in North America. How can we utilize our quick-to-market strategy to expand our business? Well, we own two U.S. companies as well. We have about 225 employees in the U.S. and two factories, one on the east coast and one on the west coast.

The U.S. market looks to Canadian producers like a quick access point. The value of the Canadian dollar is obviously helping us. We have strong relationships in the U.S. We are also orienting ourselves to the U.S. market because it's simply a massive market. We also believe we have a compelling story to sell to them. I think expansion into the U.S. market will benefit us in the future beyond where we are today. About half of our business is done in U.S. dollars now.

As part of the TPP, and also because the United States is part of that, we can use cross-docking with third party logistics people to help land products in there faster with our brand, or whatever brands. The vertical integration will help us in creating better relationships and quicker-to-market terms with the U.S.

Our markets for our products remain principally in North America. I don't think we're going to be able to back-sell products into the TPP, but we would be able to use the leverage of the manufacturing folks back into our company.

The CETA agreement will provide us much more benefit for our products going to that market due to the currency exchange in the same way as in the U.S. They will orient to a lower-cost country, and in this case it is Canada, because of our currency. We can also provide a great skill set. We have great technologies and innovation in our factory to help us expand.

In answer to the last question, yes, I believe that at some point in our future robotics could be part of what we do in technology to replace the human touch in high-volume areas. For instance, there are six processes in making a brief. Those could be done through robotics, so that's an investment. That would be how the Canadian government could help companies like ours, and rural Nova Scotia, to adapt to the market, lower our costs, and make us more competitive.

[Translation]

**Ms. Linda Lapointe:** Thank you.

My next question is for Mr. Arthur.

You told us earlier that you ship a lot of live products, but not just that type of product. Given the quotas, how well are you able to meet Asian demand for live products? One thing you mentioned earlier was shortages when it comes to refrigeration.

Do you think you will be able to continue to meet the demand?

[English]

**Mr. Ian Arthur:** Thank you. It's a good question.

We do believe we can satisfy the Asian demand simply because a lot of product is shipped south of the border and then redistributed. We currently ship \$150 million in live lobster. We believe that the potential for growth is an additional \$400 million to \$500 million per year.

Refrigeration is really an easy problem to solve in that all we really need to do is build another facility. We have developers who are interested in doing that, so we will be looking to expand as we continue to see more freighters come in.

I must say that while these freighters are of vital importance, Air Canada, WestJet, and Cargojet are our largest shipping partners. Cargojet has dedicated freighters, but Air Canada and WestJet ship in the belly of passenger planes, so we do a lot of belly shipments as well.

• (0855)

**The Chair:** Thank you, Madam Lapointe.

[Translation]

**Ms. Linda Lapointe:** Thank you.

I am sorry, but my allotted time is up.

[English]

**The Chair:** Now we're going to move on to Madam Ludwig.

I know it's difficult sometimes. Our main objective as a committee is to listen and extract as much information as we can from the witnesses and to try to stay away from a debate with them. There's nothing wrong with making suggestions to our witnesses about information that's out there, but I encourage you not to have that debate going on. It makes it very awkward for the witnesses.

Madam Ludwig, go ahead, please.

**Ms. Karen Ludwig:** Thank you.

Good morning, gentlemen. You gave excellent presentations. They were very different, but as my colleague mentioned, there were some similar themes.

My first questions are to Mr. Stanfield. You mentioned that you have offshore manufacturing in Bangladesh. Do you sell direct from Bangladesh or is the product coming back to Canada and then being redistributed in Canada and the U.S. primarily?

**Mr. Jon David F. Stanfield:** The products would be distributed only in Canada because they're duty-free, so if we were to look at the U.S. market and a cross-dock, we would look at a more preferred nation there, but Canada is probably one of the most preferred nations of manufacturing apparel products into the U.S., from our perspective and our cost base.

When we partnered with Vietnam, for instance, over there, they have about 18% duties, so if that were to come off, it would make us much more competitive in the market. With our sources, we were first on the ground over there, so that would be helpful. All of those monies saved can obviously be reinvested in the business, whether for technology, innovation, expansion, or acquisition south of the border. We're quite proud that we have our head office here in Truro, Nova Scotia, and we run two U.S. operations as well.

We would use those dollars to reinvest.

**Ms. Karen Ludwig:** Thank you. I'd like to continue with you on this line of questioning.

I heard what you said about labour and access to labour and the challenges you face there. As my colleague Mr. Ritz mentioned, we have had significant challenges regarding the temporary foreign worker program. Are you familiar with the Atlantic growth strategy?

**Mr. Jon David F. Stanfield:** I'm not really.

**Ms. Karen Ludwig:** I would encourage you to reach out to your local MP in Truro. I believe it's Bill Casey.

**Mr. Jon David F. Stanfield:** Yes.

**Ms. Karen Ludwig:** I could reach out for you.

In the Atlantic region we are encouraging businesses to look at their needs and the skills they require, and also to look at the markets in terms of immigration. In this region, we have a pilot to increase employer-led immigration by 2,000 to help fill some of the gaps that you mentioned, particularly in rural Atlantic Canada. I just wanted to mention that.

Of the TPP countries, which one is your greatest threat in terms of a country importing to the U.S., which I believe is the primary market for your products?

**Mr. Jon David F. Stanfield:** I don't feel threatened by the deal, because we've been in Nova Scotia for 160 years. We've been through free trade agreements that allow countries access by Canada. I think that the world has been levelled to a certain degree, and we have to be competitive in nature to solve a unique problem with each individual customer, whether that's making it in Canada for a Canadian customer, or making it in Canada for a U.S. customer, or making it overseas for a Canadian customer, or cross-docking—landing it in the U.S. for a U.S.-based customer.

We have all kinds of avenues we can pursue, so I wouldn't say that any of these countries is a threat to our business or really a threat to our industry. Our industry was rebalanced in 1993, and it was pretty much decimated across the country then.

In sum, the more access we have to labour and the more access we have to markets as well, the more beneficial it will be.

• (0900)

**Ms. Karen Ludwig:** Thank you.

We've heard from the agricultural sector and the seafood sector, and certainly the garment sector is new. We've not really heard from anyone to the extent that you've presented, so that's very informative in terms of the access to new markets, the need for diversification, the need for innovation, and certainly the support of government programs.

My next questions are to the presenters for the Nova Scotia Federation of Agriculture. You had mentioned the need for support programs to add changes to market access and not to penalize farmers for looking to diversification on the export side, and how adaptable farmers are is definitely is a theme that we've heard across the country. Are there product lines that potentially the dairy farmers could also be producing alongside, but to a greater extent? We saw quite a bit of that, actually, in P.E.I.

**Mr. Chris van den Heuvel:** Product lines for export, you mean?

The problem with export as far as dairy is concerned is that we're forced to export at the prices that we have set domestically, so that actually creates a disadvantage for us when we export product.

There certainly are value-added lines that we could be getting into—the ice creams and yogurts and those types of things—rather than just fluid milk. I don't want to say the word “negative” because it's not negative, but one of the things I mentioned about the supply-managed systems is the fact that we have to sell worldwide at our domestic price, so that makes it difficult.

**The Chair:** Thank you.

That wraps up your time.

We're going to go to our last MP on this panel, Mr. Van Kesteren.

Go ahead, sir.

**Mr. Dave Van Kesteren (Chatham-Kent—Leamington, CPC):** Thank you, Chair.

Mr. Stanfield, you said 1993. I assume you mean that once NAFTA was enacted, it stabilized the industry?

**Mr. Jon David F. Stanfield:** No. That would have decimated the industry.

**Mr. Dave Van Kesteren:** Decimated.

But you were able to rebound. How did you do that? I applaud you as a family.

**Mr. Jon David F. Stanfield:** I don't know. It's probably that history and blood and all of those types of things keep us in Truro and keep us in the province of Nova Scotia.

Really, my father sat on the tribunal for NAFTA and he left that tribunal for two reasons. One was that he had to go and rebuild the company with the decision that we were making. Our decision at that point in time was to acquire in the U.S., which would allow us to expand quite quickly, so we bought a company in 1993 and 1997. We did that very rapidly, and it took our revenues to 50% in Canada and 50% in the U.S., so that really levelled our playing field and allowed us to continue to grow through the rebalancing of what NAFTA did to the apparel trade.

In the same time frame, a lot of manufacturers in Canada at the time—the majority of the other players, other than men's suits, which is a specialty out of the Quebec market—quickly went to Bangladesh and these other nations to gain probably profitability and margin, while we felt a commitment to Canada and a commitment to the province was the better route for us to take. A more strategic play for us was to remain here and produce as much as we could in Canada and also use our monies and margins that we gained through selling our products to acquire various brands across various channels and in different countries.

**Mr. Dave Van Kesteren:** As I said, I applaud you for that and I congratulate you for what we all know as an important and iconic industry here in Canada.

I want to go to the farmers for a minute. I've had some discussions with our chair, Mr. Eyking. Mr. Eyking and I of course share a background. His parents came from the Netherlands, as do mine. I asked him how in the world a Dutchman wound up in Cape Breton. His dad saw that there was a population there that needed to be fed, and that's what economics is all about: supply and demand, willing buyers and willing sellers. He told me the history and how they produced products that were needed by the local population.

I haven't much time left and so I'd better clam up myself, but I wonder if you could give us a snapshot of agriculture in Nova Scotia, primarily in Cape Breton, and what other opportunities you have. As Mr. Eyking pointed out, there were produce crops, and I think they did quite well.

• (0905)

**Mr. Chris van den Heuvel:** Thank you very much.

I'd like to reiterate what some of the other speakers have said here today. We're certainly not opposed to the TPP and CETA agreements. We commend the government for the opportunity. There is room for growth, especially on the export side, around blueberries and things like that, and some of the products that we excel at growing here in Nova Scotia. We have the right climate, the right ground, the right work ethic, and the right attitude around—

**Mr. Dave Van Kesteren:** I wonder if I could just lead you a little. We know about that and I'm really happy about that, but we saw in Prince Edward Island, for instance, they're going soybeans and corn. Maybe you could just expand on that.

**Mr. Chris van den Heuvel:** There's tremendous opportunity there. There has been a decline in agricultural operations in Nova Scotia. There's huge potential in the amount of fallow land that's there for things such as soybeans.

Clean, green technology is huge, giving farmers the ability to produce clean renewable energy through anaerobic digesters and

wind technologies and things like that. There are tremendous opportunities there for farmers.

**The Chair:** Your time is pretty well up.

That ends this first panel here today. I thank you, gentlemen, for coming and presenting very different perspectives from the very different industries that you represent. Thank you for coming, and thank you for the good dialogue with the MPs.

We're going to suspend for just five minutes, because we're running a little short on time to get the next crew on deck.

Thank you.

• (0905)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (0915)

**The Chair:** Welcome, gentlemen, and welcome to anybody who has joined our proceedings for the House of Commons trade committee.

Our main focus and the study we're right in the middle of right now is the TPP, which is a big agreement amongst 12 countries. Forty per cent of the GDP is there, and there are 800 million consumers. I think it's a deal that affects all Canadians in various ways. There's a lot of interest, and that's why our committee is doing consultations right across the country.

We've been in every province and in communication with the territories. We've had over 200 briefs, witnesses and, of course, many individual Canadians want their input. We've had over 20,000 emails.

We're going to continue to do this up until the end of October, and after that we're going to put our study together. Then we'll present it later on in the year, or maybe at the start of the following year, to the House of Commons.

Trade is big for Canada, as you know, and especially with all the concerns down in the United States with their election, trade is a big topic.

Our committee also deals with other issues. We have a trade agreement with Europe that's being completed, and we also have issues ongoing with our big trade partner with softwood lumber, as well as some agriculture issues.

Our committee comprises members from right across the country, so we have good representation on the committee side.

We're going to start with Mr. Burke, a friend and a neighbour of mine from Cape Breton, who handles a lot of fish products.

It's good to see you here, sir. You have the floor.

**Mr. Osborne Burke (General Manager, Victoria Co-operative Fisheries Ltd.):** Thank you, Mr. Chair, and members of the committee. I'm pleased to have the opportunity to come here today and speak to your committee.

I'm a general manager at a local fishermen's co-op in northern Cape Breton, so we're in a rural area. We're a major employer in our county, and this year marks 60 years of operation. We were incorporated back in 1956, and started out as more or less a fresh-fish operation and progressed into a ground fishery. We all know the history of the ground fishery. In the early 1990s that closed out, but the co-op members and the board had the wisdom to switch gears very quickly and get into shellfish, both processing of lobster—we're the only company in Cape Breton that processes lobster—and into snow crab, as the two primary ones. We also handle other species such as halibut. We're into Jonah crab, rock crab, and mackerel, so there's a variety of species.

In 2015, we basically purchased about \$20 million's worth of product from our local fishermen. That spans about 100 miles of coast and seven small harbours, from 10 vessels to 35 vessels, and our sales were in excess of \$26 million.

In the past few years we've started to look into other markets, because primarily our market is the U.S. We spent a number of years travelling on trade missions, notably Brussels for four years now. China would be year two, times two, because I had just come back when Minister Colwell and Premier McNeil were there. We were in Hong Kong as well, and China. We also obviously travel to the big show in Boston.

We decided to make a decision to start to move some of our sales and some of our product into the Asian market, which I think is a heck of an opportunity for us, and to look at diversifying a bit so we don't have all our eggs in one basket, so to speak.

With regard to free trade agreements in general, whether NAFTA or CETA, which we've heard about for a number of years, or TPP, in the seafood industry and in terms of our export industry, it's certainly positive anytime we can reduce tariffs and reduce restrictions. There's always a caution, as a Canadian citizen, that there could be other impacts. As we heard earlier from agriculture, there are positives and negatives. Hopefully with wisdom, governments can provide protection for the industries, because there are going to be winners and losers, as there are in any kind of an agreement.

For us, in terms of tariffs, we're doing business now or have shipped to five of the 12 countries involved, namely Vietnam, Singapore, Japan, the U.S., and Canada. When I look at Vietnam, there is potential to reduce the tariff by 34% on processed lobster. It's significant. Even in the case of Japan, we're talking 4% on snow crab products—and they are a big consumer of snow crab—or 5% on lobster, and there is 3.5% or so referenced on halibut there and in some of the other countries. There is potential for reducing those tariffs and to increase our opportunities to export.

Some of the challenge we have as we go forward and increase our production levels occurs because we're in a rural community. The vast majority of processing facilities in Nova Scotia are in rural communities. I can only think of maybe two that are near Halifax, so it's near and dear to the coastal communities. The labour force is a continual challenge, seasonal portions of it, at least for us. There are peaks and valleys and landings. That will be an ongoing challenge.

We have used foreign workers in the past from the temporary foreign worker program. It is extremely costly and entails a lot of red

tape. Our local workers were supportive of that because without the foreign workers in a couple of those years, I don't know how we would have pulled it off. Certainly going forward, we see that as a challenge as we increase the trade.

We have people of the age of 70 to the age of 16 working at times in our processing facility, and we're competing with the local fishing industry, which is growing in leaps and bounds. We're competing with the tourism industry, so especially in our April to October season we're extremely challenged by the workforce situation.

● (0920)

If we look at CETA, which hopefully we will finalize somewhere along the way, as the minister mentioned earlier, we see that this whole proposed Swedish-EU ban on lobster needs to be taken very seriously as an example of what could happen in another trade agreement. Lobster is part of a list of species. The rest are all non-commercial under this proposed ban, but lobster is tagged on with the rest. There's real argument from industry to separate lobster on this EU ban. If it isn't separated and the committee decides to go ahead on flawed science, it all goes as one package. There's no passing part of it and not the other. I throw that caution out to every member here to really raise that issue with anyone and everyone that we can. There's intergovernmental involvement, both provincially and federally, and everybody working on it. Hopefully, we won't see something similar under the trans-Pacific partnership agreement.

● (0925)

**The Chair:** Can you wrap it up, Mr. Burke?

**Mr. Osborne Burke:** Yes.

One of the MPs asked earlier about Atlantic Canada working together on the trade mission. Whether it's in Brussels, Boston, Hong Kong, or Qingdao, the four Atlantic provinces are sharing costs and working together. Even though we may be competitors at times, we work as partners because we'll never be able to supply the volume that's in the Asian market. If 10% of the Chinese population all bought one lobster, there wouldn't be any left. There are opportunities for value-added and opportunities to build relationships, which take time in the Asian market, but also opportunities to sell a high-quality, high-value product there.

**The Chair:** Thank you, and thank you for your work. To milestone your association, it's been 60 years. It's made a big difference for the fishers. It's also made a big difference by working on the Atlantic Canada strategy.

Talking about Atlantic Canada strategies, we have Mr. Poschmann, who is with the Atlantic Provinces Economic Council.

Go ahead, sir. You have the floor for five minutes.

**Mr. Finn Poschmann (President and Chief Executive Officer, Atlantic Provinces Economic Council):** Thank you, Mr. Chairman.

Good morning. I'm delighted to be here in front of the members.

I'm Finn Poschmann, president of the Atlantic Provinces Economic Council, a charitable think tank with the wonderfully simple mandate of promoting the economic well-being of the Atlantic region. We've been around since 1954, and my favourite underwear is Stanfield's.

Trade, international trade, and investor protection deals are not always big deals, not always big political footballs. We have a trade deal with Chile, for example, signed 20 years ago, and nobody has ever noticed it much. Meanwhile, our world is criss-crossed by a web of bilateral investment treaties, about 3,000 of them. Canada is signatory to dozens of them, not all enforced. They're not always big political or economic issues. They facilitate doing business and moving people, goods, and services across borders.

We have two very big current deals awaiting ratification, and they are big political footballs; they're important to Canada. Canada should be cheering these deals enthusiastically. I'm referring to the Comprehensive Economic and Trade Agreement with the EU and the trans-Pacific partnership, the topic of our discussion today.

Many of us have mentioned CETA in passing, and I'll do the same. CETA is important to us because it improves market access for our goods and services in Europe, and it also improves prices and product choices here. It'll bring more competition into public procurement, and, even better in my view, it will put a little bit of a dent in the supply management system, and I think that's good.

Most of CETA can be provisionally applied, but it's not legally binding until it's been ratified by individual EU member states. That process has been horrendously complicated by Britain's decision to leave the EU, and the deal is under attack in many countries from the left and the right. Opponents in the EU are concerned about Canada weakening their environmental and labour standards, so I think we need a charm offensive on behalf of Canadian trade in Europe.

It's hard to say whether prospects are worse for TPP. As we've heard, TPP would boost markets nicely for our sea products and other agricultural goods and it would provide a bit of a boost to our ports and transport sectors.

Canada came late to the TPP negotiations. We were under some encouragement from Australia and New Zealand, which saw that the deal would be easier to sell in the U.S. if Canada was in. Those countries also wanted dairy market access in Canada, and they will get a little bit of it. Over the course of 20 years, the deal will slightly increase our supply of milk for industrial processing, with only a small impact on the retail market. That's a good start, too.

The barriers to TPP ratification are not here in Canada. For the moment, they're in the United States. President Barack Obama's administration had enthusiastically backed TPP, and they negotiated it. President Obama secured trade promotion authority, or fast track, in Congress with bipartisan support, with the full expectation that the deal would eventually pass. When Hillary Clinton was Secretary of

State, she said the TPP was the gold standard of trade deals; not everything Donald Trump says is wrong.

While her comment about the gold standard was probably hyperbolic, no trade deal is perfect. They always represent a muddled middle ground of negotiations between economic and political parties. It's a good deal nonetheless, because it opens markets under broader and better terms for Canadians already selling into many of the Asian markets.

● (0930)

The TPP, as I've hinted, certainly is not perfect. With respect to intellectual property, I agree that there are patent extensions as well as copyright term extensions that I don't think do anybody much good. Mostly with respect to patents, it's not a very big shift for Canada, but I can't say that we needed it either.

**The Chair:** Could you wrap up, sir?

**Mr. Finn Poschmann:** I will. I think it's a good place to do so.

The current game is in the U.S. political system. We have among the current presidential candidates no sincere champions of the deal post-January 2017. There is a narrow window between the election and January when the President of the United States could push for ratification in the Senate. That would be politically very ugly, but it is plausible.

It's another case for a charm offensive, because if the U.S. president is willing to take that risk before mid-January, then Canada should be there enthusiastically backing and cheering on.

**The Chair:** Thank you, sir.

We have Janet Eaton.

It's great to see you here, Janet. I heard you had some vehicle trouble and you made it here a little late.

**Dr. Janet Eaton (Representative, Common Frontiers Canada):** Just a little.

**The Chair:** Your timing is still perfect, because we had an opening here. If you have put yourself together after your car troubles, could you give us a few minutes to tell us about yourself and your ideas on the TPP?

**Dr. Janet Eaton:** Sure.

**The Chair:** Are you good to go?

**Dr. Janet Eaton:** In all the confusion, I did leave my briefcase and my notes in the tow truck, but I'll just—

•(0935)

**The Chair:** Just speak from your heart, and when you get close to five minutes, I'll tell you, but take whatever time you need.

**Dr. Janet Eaton:** Did you want some background on me?

**The Chair:** Just a little background, but try to keep it under five minutes, and then we'll have dialogue with the MPs.

Go ahead. You have the floor.

**Dr. Janet Eaton:** Well, I guess I've always considered myself an academic activist. I've done some teaching on globalization issues and community political power and on environment and sustainable society and those types of courses. I've also worked for the last 20 years in the global justice movement. I've worked with Sierra Club Canada for years, and I actually represent Sierra Club Canada on the Common Frontiers group, whose brief was submitted to this committee.

Common Frontiers, as the brief indicated, is a network of many groups across the country from environment, faith-based, union, and international development groups. I've been working in that group for probably 15 years now. This group works across the Americas. It's always had concerns about neo-liberalism. It does research and education work and it works in Latin America on the social, economic, and environmental impacts of neo-liberalism.

In our brief, we begin by commenting on our concerns with neo-liberalism and the existing free trade model because of its impact on democracy, sovereignty, environment and sustainability, equity, and a number of other issues.

We view the issues stemming from the TPP and the mega trade agreements within the broader context of neo-liberalism, as I said, under which free trade agreements are one of several tools that seek to shift power away from citizens in a democratic society. We actually have recommended in our brief against the signing of the TPP as it is. We're particularly very concerned about the investor state agreement, which I'm sure you've heard much about from other groups as well. As you would know, our government is concerned about it because they have done something to help ameliorate that condition in regard to the CETA agreement with Europe, but not so with the TPP. We feel it has many aspects that really need to be reconsidered.

We also believe that within the whole area of neo-liberalism, we see constantly from day to day, week to week, the analyses coming out that it is a failed system and that it has not worked well. Even yesterday there was a report from the IMF suggesting that neo-liberalism has failed.

The way we approached the subject was to consider some of the impacts on what you might call the different sectors, and I'm sure you've heard from all those sectors at this point. We were concerned about the impact on local governance because, if we're looking to a future where perhaps there is some kind of financial, economic, or environmental collapse, we're going to have to be working from the bottom up. We're going to need our local economies.

If you've looked at the analysis of Professor Jane Kelsey from Australia, who's one of the top-notch lawyers in this field, she points out all of the areas where this agreement has impacts on the ability of

municipalities and municipal governments to legislate and also suggests that it will have a severe impact on local economic development strategies. That is a concern, particularly in some parts of Canada. We know that local agriculture, for example, is absolutely crucial, but we know that within this agreement, if you're over the \$300,000 benchmark, it could inhibit local farmers, for example in this province, from being able to supply certain larger public institutions, and that's just one example that I'm aware of locally.

**The Chair:** You have half a minute to wrap up your final comments.

**Dr. Janet Eaton:** We go through some of the issues with free trade in general, some of the theoretical issues, and cite some of the literature, and then we look at some of the concerns around the global economy and whether it could be at this point in a sort of a downward nosedive. We really need to have some alternatives on the back burner.

Our brief really speaks to the recommendations as to how we could make free trade fairer, and it also hints at the fact that we would do that within the concept of a transformed economy, which will have to look at a number of different models, which might suggest such a thing as a think tank to make sure that we have some back-burner policies if the global economy gets worse than it is right now.

**The Chair:** Thank you. That finishes the panellists' briefings. Now we'll go to dialogue with the MPs. Each one will get five minutes, and if they keep it tight, we can get this done in time.

We're going to start off with the Conservatives.

Mr. Van Kesteren, you're first. Go ahead, sir.

**Mr. Dave Van Kesteren:** Thank you, Chair.

Thank you all for being here.

Finn, we saw each other a few weeks ago.

Mr. Burke, I say congratulations on what you're doing.

Against my better judgment, I'm going to engage you this evening, because I'm intrigued by what you're saying. I really am. I'm a free-market thinker. I believe in the free-market system. I think we would agree that system has brought about more wealth and betterment, but there have been challenges. Everybody knows that, but the world is a better place because of free trade and the free exchange of ideas that follows that. I'm not an academic and I'm certainly not going to engage you in this way. I'm open to new ideas and I think we have to be careful.

What's interesting about your presentation is that you talk about some other things we haven't heard about yet—for instance, a global meltdown. It's not been talked about too much, but there are those—and I know Mr. Poschmann and I had a brief discussion about that—who think that the globe is in a very precarious state at this particular point and that there is always that possibility.

My question is this. As a free-market thinker, I completely believe in the unguided hand and how we see that marvellous spread of the economy as it moves. If you take that away, what are you suggesting? Are we going to have think tanks determine how we now proceed with a new economy and a new strategy? Can you elaborate on that a bit?

● (0940)

**Dr. Janet Eaton:** One of the things we talk about in the brief is that free trade as it was envisioned years ago, in terms of comparative advantage and whatnot, was defined by Ricardo within certain constraints, such as a national economy and a balance in trade and so on, and that is not able to happen in a globalized situation.

I agree that we need markets. That they should be as free as they have been in the last decade under neo-liberalism, I think is very questionable. I agree that many parts of the world have improved because of a market economy, but I think many of us, even 15 years ago, were warning that it was a little too free and open. It was accompanied by deregulation, by privatization, by a diminution of the public service sector, and so on.

As you say, it is possible to cite many advantages, but what you don't often hear as much about are the disadvantages. Particularly as a group that works across the Americas and through Latin America, we've seen the poverty that existed there under neo-liberalism, and it's quite stunning. Just because the Brazilian president has been evicted for what some people feel are unjust reasons.... The conservative government that's taken over is very crime-ridden and is pulling back on all of the progressive moves that have been made since Lula Da Silva got in some years ago. If you look at that closely, it's not a very pretty picture.

I'm just saying that we haven't really looked at the downside of this whole free-market neo-liberal model. What we do know is that it is leading to runaway climate change and to contamination of ecosystems. Many of our ecosystems are starting to actually collapse. If we look at the coral reefs in Australia and other places, we see climate-change issues. Some people actually feel the climate-change issue now has reached a point where it's almost beyond being able to—

**Mr. Dave Van Kesteren:** I have to cut you off, because I'm out of time.

Wouldn't you agree, because we've had this discussion with fishers—I'll use the correct term here—that in an advanced economy, many of those things you talk about don't take place anymore because we've corrected those things, such as, for instance, overfishing? We've learned our lesson and we now set the example, so as economies progress, we can set the standard rather than being the nation that leads the globe into the pit.

**Dr. Janet Eaton:** Well, we see poverty even in developed societies, and we see the democratic and sovereignty aspect being set aside, as we've experienced right here in Nova Scotia with the Digby

Neck quarry investor state issue. We find that is really unacceptable at this point.

Just to say more about this investor state side of things—

● (0945)

**The Chair:** Sorry, the time is up.

**Mr. Dave Van Kesteren:** I was afraid we'd get into too long a time. Maybe we'll get a chance to talk about it later.

**Dr. Janet Eaton:** Yes. Sorry about that.

**The Chair:** When I cut it off, I'm not really cutting off the witnesses; I'm cutting off the MP's time. I have to keep it around five minutes so everybody can get a shot.

We're going to move over to the Liberals.

Madame Lapointe, go ahead, for five minutes.

[*Translation*]

**Ms. Linda Lapointe:** Thank you, Mr. Chair.

Good morning. I would like to welcome the witnesses who are with us this morning. It was a pleasure to listen to your comments, which were very interesting.

My question is for you, Mr. Porschmann. What do you think might be the consequences for Nova Scotia of the TPP being ratified without Canada's participation?

**Mr. Finn Poschmann:** Thank you for the question.

[*English*]

The question is about the impact on Nova Scotia in the absence of TPP.

It's a really interesting question. In dollar terms, our Atlantic exports from the region, Nova Scotia exports, are overwhelmingly dominated by energy products, by petroleum products, flowing into the U.S., primarily through New Brunswick. That's where the giant numbers are with respect to the Atlantic region's trade, and Nova Scotia is part of that.

The losses if we're not in it—or otherwise put, the missed gains—are in the seafood sector primarily, both in product and in improved tariff access or lower tariffs in the Asian markets. The percentages in potential tariff reductions seem small, but they're going to matter.

The potential opening in Vietnam is fascinating. If you look through the schedule, you see that Vietnam looks to be among the really big winners in the system. Ratification has been held up by the government in Hanoi for reasons unknown to me, and I'll leave it to others to figure out Hanoi's internal politics.

However, the gains primarily for us are in seafood and other agricultural products.

[Translation]

**Ms. Linda Lapointe:** Thank you.

From another angle, if the TPP were not signed and Canada went back to the bargaining table, what aspects would you like to see changed, apart from the length of patents, that you mentioned a little earlier?

[English]

**Mr. Finn Poschmann:** I'm not sure I would look for a lot. If we had our druthers and our preferences....

It's sort of difficult to picture, because you'd have to bring a lot of people around the table to do it again and give up things or provide access that they didn't before.

The time period over which tariff rates are phased down, say in Japan, is very long. It's very incremental, and this applies in some relatively protected sectors in other countries. If we were going to do something, it would be to push for faster reductions. However, of course, the paces of tariff reduction in those countries were agreed to exactly because that was where they were drawing their bottom line.

Reopening doesn't look like a whole lot of fun, and whether we can picture such a scenario in the medium term really depends on what happens in the U.S. and the approach that a future U.S. president will take, because without the U.S. at the table, the agreement pretty much loses its steam.

[Translation]

**Ms. Linda Lapointe:** Thank you.

My next question is for Mr. Burke.

You said earlier that your challenge is finding workers. How can the Canadian government help you find qualified workers? Is this in innovation research? Where do you see possibilities in this regard?

[English]

**Mr. Osborne Burke:** In finding workers, our only experience to date was the temporary foreign worker program. It's a very costly process. Typically, we need support for about 10% of our workforce in the rural areas. Reduce the amount of red tape and the requirements on the temporary foreign program. We look to it as a supplement to our existing workers.

For example, we're facing peak periods of product being landed, whether it be lobster as the stocks increase or snow crab, and we just don't have the workforce to deal with it, but we don't need it 12 months of the year necessarily. Where we can, we're employing local workers, but there are challenges in rural economies, and the population is not there.

Under the current program we pay \$1,000 per applicant. To bring 10 workers from Thailand costs us almost \$40,000 before they work one hour. That's a challenge for a small business.

Reduce the cost. Reduce the red tape. We have to pay the same wages. We have to pay housing. We have to pay medical and dental insurance. Contrary to what may be reported in the media, it's a costly process that we prefer not to use.

Longer term, some automation but also immigration to our rural communities may help. We need new blood, more people. We have

schools that are closing. The opportunity is here with these free trade agreements to increase production, but we need more people in our rural communities.

● (0950)

**The Chair:** Thank you, Mr. Burke. We have to move on.

We are going to the NDP now, and Ms. Ramsey, you have the floor.

**Ms. Tracey Ramsey:** Thank you very much for your presentations. I think you can see the challenges that we're up against.

There is this thought in the general public that we'll see big economic gains out of the TPP, but there are many studies, including our own economic impact study, that show that is not the case and that the growth will be negligible for Canada. There are studies by Tufts University, the C.D. Howe Institute, the Peterson Institute for International Economics, and again, our own economic impact assessment. When we look at those, of course we want to look at the provincial implications as well.

Mr. Burke, you have highlighted many issues—you talked about the Swedish issue with the non-tariff barrier that exists—and yet we keep going into these trade agreements without actually fixing those problems for folks who would benefit. Certainly, we hear from you that you would. I think that is what's driving this conversation on the global stage.

Ms. Eaton, you said that the International Monetary Fund has released a document entitled “Neoliberalism: Oversold?” It was quite surprising to a lot of folks, but it is part of the larger conversation that we're having.

I want to ask you about the ISDS provision specifically, because many countries around the world are rejecting this. Brazil and India will not sign an agreement with ISDS provisions. We're the most sued country in the world under these provisions in chapter 11 of NAFTA.

I wonder if you can speak to what's happening globally and whether you feel that we could push back here in Canada against the provisions that have worked against us.

**Dr. Janet Eaton:** Thank you.

Yes, globally you've mentioned that many countries in the world now are starting to look to renegotiate their investor state agreements, their BITs—their bilaterals—and their free trade agreements that have this chapter in them, and that's for obvious reasons. What we found is that many of them signed onto these with very little understanding. The developed world came in and it looked good. Once all of these cases started to emerge, they had second thoughts, and so that's going on.

What we're finding in Canada is that a high number of these cases are attacking our environment legislation or health, and people are concerned that our legislation, which has been democratically put in place, is being unfairly challenged by an offshore court before using our own domestic court. We find that this offshore investor state tribunal is not at all like a public court. It's made up of three people who are trade lawyers, and they're not paid a regular salary. In other words, they're not on a permanent court and have no tenure. They don't even have a permanent base of knowledge. They don't have a permanent location. They come into a hotel room, often, and stick a sign up as to which base they're with.

The other thing about it is that the protections that the corporate sector is offered—things like national treatment and expropriation—because of that lack of a permanent base of knowledge and because of what some people consider a bit of bias with the international trade lawyers, are often based on decisions that are made in a more arbitrary way.

I noticed that when I started to examine what happened with the Digby Neck quarry case, which I participated in for the early stages and which was not permitted by the joint panel. Then a case was brought back by Bilcon, the company, and that's still going on. The federal government is trying to have that whole thing set aside because it was so unfairly judged. It was determined that it should have been a domestic court that examined this particular issue that came up—

• (0955)

**Ms. Tracey Ramsey:** Yes, we have such a progressive court system here in Canada. It's shocking to think that we're going to use this other court system that doesn't have jurisprudence.

**Dr. Janet Eaton:** Yes.

**Ms. Tracey Ramsey:** We don't know who's there or what role they're playing.

**Dr. Janet Eaton:** Exactly. There's conflict of interest as well. That's been highly identified in reports in Europe.

**Ms. Tracey Ramsey:** We've had open mike periods in every city that we've gone to, and nearly every person has spoken about ISDS and their concerns. Average Canadians, I think, have concerns—

**Dr. Janet Eaton:** They do.

**Ms. Tracey Ramsey:** —about this provision in deals, and they are calling for it to be rejected as well.

**Dr. Janet Eaton:** Right.

If you have a look at our recommendations, many of them do go to not moving forward as long as there is an ISDS segment. We cite the UN expert, Alfred de Zayas, who has done a 40-some-page report for the UN General Assembly. He's an expert on international order and democracy. He says that this agreement should be subservient to international law. That international law says that business agreements should be subservient, and that's not happening.

**Ms. Tracey Ramsey:** We heard from the Grand Manan Fishermen's Association that they're concerned about ISDS, too.

**The Chair:** Ms. Ramsey, your time's up. Sorry. You have to move on and try and keep to the five minutes.

Madam Ludwig, go ahead.

**Ms. Karen Ludwig:** Thank you for all your presentations.

I'm glad, Ms. Eaton, that you made it here this morning. Even without your notes, you've done exceptionally well.

**Dr. Janet Eaton:** Well, thank you.

**Ms. Karen Ludwig:** Mr. Burke, I represent a riding that is heavily engaged in the fishery section. I represent islands. We have lobster. We have scallops. We also have agriculture. We also have science services. It's a diversified economy in New Brunswick Southwest. Much of your position has been discussed, and it's definitely reinforced across the country.

I have a couple of questions for you.

When it comes to market diversification, is your organization, the Victoria Co-op Fisheries Limited, working together with other organizations across the region to promote not only Nova Scotia products but Atlantic Canadian products?

**Mr. Osborne Burke:** Yes, especially in the trade shows. As an example, we're off to Qingdao, with Seoul, South Korea, coming up, and then Shanghai. At most of these shows, we are sending off product—lobster and snow crab. That will be shared in the Atlantic Canadian booth. There is a chef shared by the four Atlantic provinces. There are partnerships with Agri-Food Canada and the four provinces.

As an example, we are providing lobster and snow crab. Not everybody is going to bring that, but all the provinces generally have that product, so there is a sharing of product. If somebody comes to the booth and speaks to me, we may not have a particular product, but one of our counterparts does. It's a very team-oriented approach, as we are not threatened.

We work every day with Cape Bald Packers from New Brunswick. They buy side by side with us. We ship. Some days they are stuck and need someone to pick up their lobsters. There is a lot of that coordination and co-operation, big time, happening in the Atlantic Canada provinces.

**Ms. Karen Ludwig:** I really compliment you on that model. I've had years of teaching international trade and product development, and often your competition can be your greatest ally, sometimes even the competition abroad.

There are partnerships available. Although we think of ourselves as literally a big fish in the pond for lobster, on an international scale we are a small market.

**Mr. Osborne Burke:** I'm quite familiar with Grand Manan and with Melanie, Bonnie, and all the group, and with Klaus when he was there.

**Ms. Karen Ludwig:** Ms. Eaton, I need some help in balancing out the spectrum of comments that we've had. Certainly in a number of comments people have spoken indirectly—yours were directly—about neo-liberalism, but they were also talking of binaries and polarization of issues, to somehow find a common ground that we can share with Canadians to move forward with or without this agreement. There are costs to ratifying it, and there are also costs to not ratifying it.

This morning, just after the presentations, I spoke with Mr. Colwell, the agriculture and aquaculture minister here, and I asked him what the implications would be on the provincial side for Nova Scotia if the other countries went ahead, particularly the U.S. and Japan, and ratified the agreement and Canada did not. Would it rectify some of the issues that we see on the polarized end regarding the concerns about health care, pharmacare programs, and the cost of drugs?

Yes, the cost of drugs, as we've heard from a number of different witnesses, will rise significantly, but Mr. Colwell's point was that for every \$1 in export, it's the equivalent of \$7 in return. As a province, the argument may be from a provincial level that looking for those who are the most in need and the most vulnerable is often taken care of, to some extent, by a provincial or federal government.

If we had less revenue drawn from the international trade market and we had a lower price or a consistent price in medicare costs, how could we balance that out? We now have a social service network that may not have the same support that it would have if we had higher exports in international trade.

• (1000)

**The Chair:** I'm sorry, but just before you go there, your time is up. My understanding is that in the next round Mr. Dhaliwal is going to give you his time. If you want to continue with that conversation, go ahead, because the Liberals have five more minutes.

**Ms. Karen Ludwig:** It was a big question.

**Dr. Janet Eaton:** Yes, it is a big question, and I think there's one aspect here that hasn't been considered and which I was alluding to earlier, which is that there are two different dominant paradigms that we're looking at here.

If we are talking about limits to growth and any possibility of collapse, then we need to be viewing things from a systemic paradigm. Right now, some people would suggest that the dominant one is more of a mechanistic paradigm that is not looking so much at the interconnections, the relationships, and the systems thinking, although that's starting.

Just to get back to what would happen, I want to say that some of the things I'm talking about are an end-of-growth model. There is a lot of literature on the end of growth. That's why we're talking about the limitations of a dominant neo-liberal model that's based on free trade in order to create more growth.

There are suggestions coming from the financial sector and from the general economic sector that this is not going to be able to go on. I alluded to some of the economists who are talking about the fact that there will be no more growth. Even Larry Summers, who advises the Liberal Party, is saying that we're into "secular stagnation" for 10 years. Another famous economist, Gordon, is saying it could be 25 years.

Paul Mason, an economic journalist in the U.K., is analyzing the Kondratev curves, the 50-year curves illustrating how we go down into depression and we come out. He's saying that we aren't going to come out of this, partly because of technology and robots, but partly because of the limits to growth too. There is a lot of literature on that as well.

**Ms. Karen Ludwig:** Dr. Eaton, excuse me.

If you were at the end of a wharf and having a conversation with one of Mr. Burke's fishers, who at the very basic level is out there harvesting fish for sale, and the argument potentially is that we're going to limit the market because we see some of the other issues.... That's my juxtaposition. That's my challenge right now: trying to explain to someone—let's say, a fisher at the end of a wharf—why we need to change that market, because of such.... It's a very hard argument to have.

**Dr. Janet Eaton:** It is a hard argument, and you can't do it unless you look at the literature and the analysis and the modelling. It is coming from economists and others who are working under the assumption that we have reached the end of growth and who are looking at alternate models such as planned degrowth and co-operative localization, which are inhibited to some extent by trade agreements and by grassroots movements around the world. This has to be understood.

The other thing is that Peter Victor, an economist in Canada, I think at York, has done modelling showing that we can exist in this country totally within a domestic economy without really altering our services or our general well-being—not that we necessarily want that, but we may need to slow down growth. It may be that we don't need these mega-agreements, because they're putting us in a vulnerable position. For example, the U.S. has crafted these agreements. They decide who gets in on them, and then we get engulfed in their foreign policy. Part of the TPP is the Asia "pivot", which is the foreign policy that the U.S. has adopted to isolate China.

So there's a lot more to this. A lot of people say it's not as much about trade as it is about the other aspects, and they say it's an initiative for more global control beyond our borders.

• (1005)

**Ms. Karen Ludwig:** Thank you so much.

Mr. Poschmann, in April the C.D. Howe Institute suggested that if Canada does not ratify the TPP, welfare costs in Canada would increase to \$1.7 billion by 2035. They also suggested that for a number of sectors, such as automobiles, the losses predicted under TPP cannot be avoided by Canada's staying out.

How would you respond to that?

**Mr. Finn Poschmann:** There's a contradistinction there. If we're not in TPP, the losses have a dollar value but not a huge dollar value, which is the flip side of saying that within TPP there are gains but they're not huge dollar gains.

As to the auto sector, I agree fully. If the TPP goes forward and Canada's not in it, then the market structure changes between the Asian producers and what they make and build and deliver to the U.S. market, so if TPP goes ahead and we're not in it, then our auto sector comes out a loser.

**The Chair:** I'm going to have to cut you off there, but you might have a chance to add some comments, because Mr. Ritz is our last MP on this panel.

Go ahead, Mr. Ritz.

**Hon. Gerry Ritz:** Thank you, Mr. Chair. It's a very interesting discussion.

Dr. Eaton, I'm glad you made it. You brought some new points to the table. I have to disagree with most of them, but I think it's government's role to set the stage and then it's up to industry and the people to decide whether or not they're going to take a position on that stage.

Trade agreements are all about stability and predictability, setting the rules. We see Sweden starting to make some noise about lobster that is outside of anything scientific. With an agreement, you would actually have a venue to go back to them and say they couldn't do that under what had been agreed.

That's the value of these agreements. There's a lot of talk about how we quantify the value of various things, and Ms. Ramsey comes forward with some numbers that really don't show the whole picture. It's up to industry to decide, and we're talking about a phase-in period within that, when we don't really have access yet. At the end of the day, there's a lot more than \$4 billion to be gained, and there's an immediate \$5 billion to be lost if we don't get into this.

On the ISDS side, we have a mature court system here. We have the rule of law, unlike a lot of countries that Mr. Burke is dealing with. ISDS would actually protect you as you move into Malaysia, Vietnam, and other countries, so it's not a one-sided thing.

I also have some concerns when you talk about the end of growth, when I see growing middle classes in China and India, which are each at least 15 to 20 times the population of Canada. If we don't have access to those markets, certainly it is the end of growth.

China and India are not in the TPP, but it keeps them honest when we have other parties that move into those markets. We can't begin to live in the domestic model. One in five jobs in this country depends on trade, so right away, you'd have 20% of our work force out of work if we didn't continue with trade.

Mr. Poschmann, I know this is your area of expertise as an economist, so I'd like your viewpoint. If we don't do this, if we continue down the road that Dr. Eaton has laid out, how quickly would we see Armageddon here in Canada?

• (1010)

**Mr. Finn Poschmann:** If I may, I will address ISDS first.

If you were Mr. Stanfield's family and you had bought a plant, invested, and expanded in facilities in the southeast U.S., and the state made a massive change in laws and regulations that seemed clearly to undermine your investment, you would want a place to go and you would want a place to fight. That's the purpose of ISDS, because your own government may not always be there to back you. It may not be worth it for them.

Likewise, you need an end for the process or you never get there, and that's why we came up with a tribunal system, as deeply imperfect as it may be. After the tribunals, state sovereignty has not, in fact, come to an end.

I have a quick word on the Bilcon case. If you read the tribunal, I found the dissent quite compelling. In my opinion, having read it very carefully, it was a wrong decision through its reading of the law. This is where the ball is back in cabinet's court, if they wish to pursue it.

On the size of gains, we've seen a range of numbers. I may have commissioned one of these studies myself. What they do, in fancy talk, is marry a computable general equilibrium model to a global trade model. It's the best you can do and it's state of the art. When you look at the dollar numbers for Canada, because we already trade with so many of the TPP countries, you get a small number in the long run when using those models.

What those models are not good at capturing, because they're just not built in, is the dynamic impacts, firm entry and exit, the impacts of productivity, new products, new technologies, reorganization of trade along new lines. The economic models just extend the existing framework that we see. They're not good at, and they don't capture, the dynamic impacts that trade flows have in the broader world.

If we have time or a question, I'll carry on to supply management.

**The Chair:** Mr. Ritz, what do you want to do with your last 15 seconds?

**Hon. Gerry Ritz:** I want to clarify a couple of things in the presentation.

Dr. Eaton, on page 3, under agriculture, you talk about corporate concentration taking over. Actually, 98% of farms in Canada are still family-owned, family-run. You also make a comment about UPOV 91, which came into play two years ago. We've seen a huge influx of investment in new seed varieties of which farmers are very supportive. I just wanted to clarify that.

**The Chair:** Thank you, Mr. Ritz.

That ends this panel. Thank you, folks, for coming in, and thank you for the lively discussion amongst the MPs. It's good to see that, and good luck with your professions.

We're going to suspend for five minutes because we're running a little late.

• (1010)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1025)

**The Chair:** Welcome, panellists.

This is our last panel in our last province. We've embarked on this consultation process over the last few months.

We have with us the Canadian Labour Congress, Oxford Frozen Foods, Unifor, and the Wild Blueberry Producers Association of Nova Scotia. Welcome to all.

My name is Mark Eyking, and I'm the chair of the trade committee.

We have with us Tracey Ramsey and Dave Van Kesteren from southern Ontario, Gerry Ritz from Saskatchewan, Karen Ludwig from New Brunswick, Linda Lapointe from Quebec, and Sukh Dhaliwal from British Columbia. We had to leave a few of our members back in Ottawa.

We've been a very busy committee. We have to deal with a lot of issues. Canada is, of course, a trading country, so we had to deal with the European agreement. This is coming to some sort of an end, and we're dealing with that. We're dealing with issues with the United States. Examples are softwood lumber and agriculture.

However, TPP has been our main focus for the last few months. It's a big deal. It's a deal that's going to affect all Canadians one way or another. It involves 12 countries and 40% of the GDP and I think 800 million consumers.

We've been going pretty hard at this. We've been to every province and we've had video conferences with the territories. We have received almost 200 briefs, 300 witnesses, and over 20,000 emails. We've opened it up quite a bit to the public in accepting their emails. We've had an open mike at the end of each session, and we have had quite a bit of uptake on that.

We're finishing up our consultation process by the end of October. We'll be putting a report together and presenting it to the House of Commons at the end of the year or at the beginning of the following year.

Without further ado, we'll begin with the Canadian Labour Congress.

If the witnesses can keep it to five minutes or less, we'd appreciate it, because that way all the MPs can have a dialogue with you, and we won't fall behind in time.

Mr. Alex Furlong, you have the floor.

**Mr. Alex Furlong (Regional Director, Atlantic Region, Canadian Labour Congress):** Thank you, Mr. Chair.

I'll keep it under five minutes. I'm originally from Newfoundland, so I'll try not to speed up too much.

On behalf of 3.3 million members of the Canadian Labour Congress, we want to thank you for giving us the opportunity to present our views on the impacts to Canada of a possible trans-Pacific partnership agreement.

I want to begin by expressing our sincere appreciation of your willingness and that of Minister Freeland and your government to sustain an open and frank dialogue regarding this agreement negotiated under the previous administration.

It is a deeply flawed agreement, and our view is that the costs of this agreement outweigh the benefits that might arise from the deal. Proponents of the deal only expect it to boost Canada's GDP by 0.5%, and that is certainly 10 years down the road. That's about as much as the previous administration promised to pay the dairy industry in compensation for TPP losses.

This leaves nothing to cover losses to the auto sector and other areas. A key study from Tufts University predicts that workers in all 12 TPP countries would lose out, because the TPP would increase income inequality. This flawed agreement is about protecting multinational corporations' rights; it does nothing to help workers or the environment. The two sectors with the most to lose certainly are the auto sector and the dairy sector, but I also want to touch on our concerns with the provision of public services, rising drug costs, and investor challenges to environmental regulations.

The automotive sector is centrally important to Canada's research and development, high value-added production, and to manufacturing exports. In 2014 approximately 40,000 Canadians worked in motor vehicle manufacturing and another 70,000 in parts manufacturing. The five-year phase-out of tariffs on Canadian imports of Japanese vehicles will quickly eliminate the incentive to manufacture in Canada and will encourage Japanese assemblers to import vehicles. Unifor, who will speak shortly, has estimated the TPP could lead to the loss of 20,000 jobs in the auto sector alone.

The dairy sector provides high-quality, locally produced food while supporting small family farms and rural communities. Under this agreement, foreign dairy producers would be able to access an additional 3.25% of Canada's 2015 dairy milk production. This comes at a time when the dairy industry is already under considerable stress, and 250 million litres of milk and subsequent production jobs are at risk annually.

Concerning the investor state dispute settlement, we have many concerns. By now the problems with this model of dispute settlement are well known: the unaccountable and ad hoc nature of the arbitration panels, their expansive definition of what constitutes an investment, the fact they do not operate in subsidiary to national court systems but above them, and the apparent lack of deference to the prerogatives of governments or even to national jurisprudence on any given issue.

On our public services, the TPP chapter on public services locks in the current level of privatization with so-called ratchet and stand-still clauses. This makes it more difficult for governments to introduce new public services such as pharmacare or child care without subjecting themselves to an ISDS claim. Canada already has the second-highest per capita drug cost in the entire world. The TPP will further constrain efforts to reform prescription drug purchasing and provision in Canada.

On the environment, the TPP also contains broad prohibitions on economic or environmental performance requirements, such as requiring technology transfer or local sourcing to foster green industry. Such restrictions will serve as a chill on governments contemplating steps required to make the transition toward a low-carbon and climate-resilient economy.

It's time to come back to more reasonable forms of investor protection, protections that should be subsidiary to national judicial processes, should privilege state-to-state settlements, and should emphasize investor responsibilities just as much as the protection of their assets.

In conclusion, given the high economic and political stakes, Canadians deserve no less than a full and substantive discussion on the potential consequences of this draft agreement.

Thank you.

● (1030)

**The Chair:** Thank you, sir, and thank you for doing it within the time with precise comments.

We're going to move over to Oxford Frozen Foods, a big producer of blueberries, carrots, and many other products.

It's great to see you here, sir. Mr. Hoffman, you have the floor for five minutes.

**Mr. David Hoffman (Co-Chief Executive Officer, Oxford Frozen Foods Ltd.):** Thank you, Mr. Chair, for the opportunity to talk to the committee. I've distributed a couple of pages of notes.

As you've already mentioned, there are 800 million people involved in the TPP, and I think \$29 trillion of GDP and \$31 billion of Canadian agricultural exports, so those are very important numbers.

I believe the objectives of the TPP in promoting and enabling free trade are commendable. If the intention is to reduce tariffs, as an exporting nation, an exporting province, and an exporting company, we need to do that. Reducing tariffs and reducing non-tariff barriers are important. It should promote economic growth in Canada, and I think economists will say many things, but it seems the general consensus is that it does improve economic growth. It supports the creation and retention of jobs, and it certainly enhances innovation. It forces innovation and forces us to become better. It forces productivity and competitiveness, which are things we need to keep on doing. It should improve our living standards overall. It reduces poverty in the signatory countries. These are all important things to achieve.

It promotes good business governance; it enhances labour and work conditions, as well as safety standards in the signatory countries; and it improves environmental protection. These are all good things if they can be achieved, and they are some of the objectives of the TPP.

I believe the TPP will increase the size of the pie and not just re-divide it, so that's good for everybody and should accelerate growth in the developing countries.

Clearly in Canada we need sustained economic growth to support some of the social programs that we aspire to.

That's the kind of policy macro outlook that I would see for TPP.

For the wild blueberry industry itself, we're very limited geographically where wild blueberries are grown, and I would just refer you to the map that shows that. Wild blueberries are grown in a very, very small part of the Maritimes, Quebec, and Maine.

I'm sure everyone—certainly Mr. Dhaliwal, in British Columbia—is familiar with the cultivated blueberries. All the way through the Lower Mainland there are cultivated blueberries. Those are grown everywhere in the world. Wild blueberries only grow where they grow. It's a natural plant that grows and it doesn't transplant, so we have a unique resource here.

It's also very important from the rural community perspective. This supports some of the less economically well-off areas of Canada, in all the provinces where it is in the rural areas.

It's a very modern industry, a very 21st century industry. It sounds like a cottage industry, but in fact it's not. It's high tech. It's capital intensive. It has all the attributes of being a 21st century industry, with continuous improvements and top quality. It's safe food, and well known as being a healthy product. It is differentiated from other fruits.

It has great health benefits. It has been touted as being probably the second most healthy food you could eat, after wild Atlantic salmon, which is very hard to come by, so it puts it really at the top of the heap.

Canada grows two-thirds to three-quarters of the commercially viable wild blueberries in the world. The domestic market is very small, so 90% of the wild blueberries are exported. I think that emphasizes the importance of export markets to this industry, so access to markets is critical. Access to new markets is critical, because we have to keep growing access to new customers.

All efforts to reduce tariffs and non-tariff barriers for this industry are positive. What we see with the TPP is an additional effort to do that in some new and emerging markets that will be positive in the long run.

The specific opportunities we see—

• (1035)

**The Chair:** Mr. Hoffman, you'll have to wrap it up. You have only 30 seconds.

**Mr. David Hoffman:** Thank you. I need two seconds.

The specific opportunities we see are reduction of tariffs in Japan. We are already in Japan, but reducing tariffs will enable us to be more competitive.

Vietnam will be the other one in the longer term. We see it as a market that with a 30% duty is going to be very hard to access, but if we can have that duty reduced or eliminated, that will help.

Thank you.

**The Chair:** Thank you very much, sir.

You buy a lot of blueberries. A lot of small farmers ship to you guys, or you buy from them. You see it when you travel in the countryside, especially in northern Nova Scotia and New Brunswick. Thank you for coming.

We're going to go to Unifor now. Ms. Payne, it's good to see you again. We saw you in Newfoundland yesterday. You're a busy person.

**Ms. Lana Payne (Atlantic Regional Director, Unifor):** I know. I never rest, and Unifor never rests.

**The Chair:** Thank you for coming. You have five minutes. Go ahead.

**Ms. Lana Payne:** Since we're the last panel, we should be given at least 10 minutes each, don't you think?

**The Chair:** Well, then you'd be robbing from the audience, because they have a few things to say too.

**Ms. Lana Payne:** First let me thank the committee for the opportunity to appear today. You've already heard, obviously, our national president talking about the TPP. I think he appeared before your committee earlier this year on our opposition to this deal—not to trade, I want to be very specific about that, but to this deal specifically.

As you're aware, Unifor represents 310,000 workers in over 20 sectors of the economy from coast to coast and about 40,000 in Atlantic Canada. Our members in the region work in forestry, fishery, the telecommunications area, manufacturing, offshore oil and gas, and health care, just to name a few. Obviously, today I reiterate our union's very serious concerns with this deeply flawed trade agreement and call on the committee to recommend its rejection.

We believe our members' jobs are important, and they are affected negatively by this deal, but just as important, so will the jobs and lives of many Canadians. Today I want to focus my remarks on what is needed for a fair and progressive trade agenda for Canada. Given this is your last hearing, I think it's critical that we turn our attention to why the TPP does not meet this definition.

Minister Freeland in her remarks to you in May and in speeches since her appearance before this committee has referenced the need for Canada to develop a progressive trade agenda. Indeed, in recent weeks in Europe she reiterated this new approach to trade. It is actually refreshing to hear a trade minister be so frank about how trade agreements have not been delivering the shared economic goods as promised.

In June, to the Conference of Montreal, the minister explained why globalization and corporate trade deals are in so much trouble now around the world. The middle class, she said, in western industrialized societies and probably more broadly in middle-income countries, has begun to fear very profoundly that the two great economic transformations of our time, globalization and the technology revolution, haven't been good for the middle class and people who are working hard to join it. She said the people who feel that it's not working for them are not wrong.

Minister Freeland has been clear that trade agreements must start addressing the very legitimate concerns that people, that labour, have about the investor state provisions and about the fact that these deals have not raised living standards or resulted in shared prosperity. She suggested that a progressive trade agenda also include real, effective labour protections and environmental standards. Currently they do not, and certainly the TPP does not.

She's also noted that there is a need to strengthen a nation's right to regulate and develop policy and laws in the best interests of citizens and that the investor state provisions must be brought back to why they were introduced in the first place: to ensure non-discrimination against foreign investors and nothing else. We would argue that there be no special investor rights provisions, but the fact remains that Canada's own trade minister had criticized these provisions.

If Canada is to turn to a new trade chapter, if we're to build and develop a truly progressive trade agenda as spoken about by our own minister, then there really is no choice here. Canada must not ratify the TPP because it does not do any of these things in any way, shape, or form.

Attached to your kit that I've given to the clerk is a fact sheet that talks about a framework for a progressive trade agenda. I hope you will read it and that it will be useful to you in your deliberations.

In Atlantic Canada, as some of you know, we are very practical, sensible people. We would ask why we would sign a deal that can

and will have a negative impact on good jobs in the forestry, we believe, and dairy sectors in this region, in the auto sector in the rest of the country, and on the prices of drugs for all citizens, including our members. Why sign a deal that will hand over even more power to corporations under the investor state provisions?

Across all the studies released to date, the overall consensus is that the benefits of the TPP for Canada are at best negligible, but the risks and the losses are great. Let's be very clear—

**The Chair:** Excuse me—

**Ms. Lana Payne:** I'm almost done.

**The Chair:** Okay. You only have 15 seconds.

Go ahead.

**Ms. Lana Payne:** Let's be very clear: we're saying no to the TPP; we're not saying no to trade. Saying no can bring us back to the drawing board so that we can develop a trade agreement that actually works for everybody.

Thank you very much.

**Voices:** Oh, oh!

• (1040)

**Ms. Lana Payne:** I brought some friends.

**The Chair:** Well, gee, you brought a fan club. Are they clapping for us?

**Ms. Lana Payne:** I have a few friends in the room.

**The Chair:** I don't think they're clapping for the politicians.

I have a couple of reminders before we go to our last panel. We have translators, if you need translation, because we're doing both official languages. As well, while we're in session here, you cannot take photographs or videos.

The other thing is that we don't mind you clapping throughout the next hour or so, but it eats into the time for presenters. We want to get as much done here as we can in the next couple of hours. We're also going to a list of speakers later on, so just keep 'er down and we can keep moving on.

Mr. Rideout, it's good to see you. You're the last panellist we have from this whole country.

You and I go way back. It's good to see you still working with farmers. Thanks for coming.

You have the floor, sir.

•(1045)

**Mr. Peter Rideout (Executive Director, Wild Blueberry Producers Association of Nova Scotia):** Thank you very much, Mr. Chairman. I've been last before. People say I've been last more often than not.

Mr. Hoffman has just given a good introduction to our industry. I'll say a few words about our wild blueberry industry here in Nova Scotia and in this region.

It's not a cottage industry. We have 1,100 producer members in our organization, managing some 44,000 acres of wild blueberry land in Nova Scotia and producing consistently over 300 million pounds of wild blueberries annually in our regional industry. In Nova Scotia it's our largest agricultural export, exceeding \$100 million in export sales last year.

Those export markets are, as you know, Mr. Chairman, the U.S. domestic market, Europe as a bloc, and east Asia as a bloc, principally Japan. We feel that most of our market opportunities going forward, as our industry now consistently is producing such a volume of fruit, are in the Asian markets. Some of the countries represented in the TPP proposal are on the short list of prospective markets going forward. We think most of our increased future market opportunities would be in the Asian market. Market access is extremely important for us in those developing areas.

Japan is our principal Asian market. We've been there for many years, since the 1970s. Our business is mostly ingredient-focused. In all of our export markets, we deal with companies as customers who are producing consumer food products using wild blueberries as an ingredient, as well as other fruit. We have to be competitive with things that can be substituted for our product in those markets. Continued market access in Japan is very important to us. More unfettered market access to some of those developing markets that Mr. Hoffman mentioned would also be a high priority for us in developing those future markets.

Finally, 90% of our Canadian wild blueberry crop is exported to foreign countries. It's a big driver of the rural economy, as you know. There are a lot of jobs at stake in rural Nova Scotia and throughout this region.

That concludes my remarks. Thank you very much.

**The Chair:** Thank you, Mr. Rideout. Thanks for keeping on time.

We'll open it up now for a dialogue with the MPs. Each MP has about five minutes. If we can keep it to that, it would be appreciated.

We'll start off with the Conservatives.

Mr. Ritz, you have the floor.

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

Ladies and gentlemen, welcome today. Thank you for your presentations.

As you can see, the diversity of opinions at the table just reflects the diversity of industry across Canada in terms of what we should do and how we should do it. As a government, it's about finding balance and making sure that when we move ahead, the gains offset any negativity. Will everybody win? No. They never do, even in

business, but at the end of the day, it's our job to make sure that those are mitigated as close to zero as we possibly can.

First, to Unifor, thank you for your presentation. With 310,000 workers Canada-wide, you made the statement that jobs are important. That's absolutely true. Every job is important. I just wonder, if we pull back from a trade economy—I mean, one in five jobs in Canada, including those of some of your members, depend on trade—what do we do in the interim? Do you see a lag, a downtime, in there? If we pull back from some of these and the U.S. goes ahead and we don't, what do we do in the interim as we renegotiate, or find willing partners to renegotiate, on a new trade agenda?

**Ms. Lana Payne:** That's a lot of ifs in there.

If the U.S. signs, which I think is a very big if at the moment... If you watch what's going on in U.S. politics, you'll see that both the Republican front-runner and the Democratic front-runner have said no to the TPP.

**Hon. Gerry Ritz:** They are also going to tear up NAFTA.

**Ms. Lana Payne:** Well, the Republicans are going to tear up NAFTA.

We are not saying we'd pull back from a trade economy. Unifor has never said that, so please don't—

**Hon. Gerry Ritz:** That wasn't my point, either. It was, what do we do in the interim?

**Ms. Lana Payne:** Do you want an answer to the question?

**Hon. Gerry Ritz:** Please.

**Ms. Lana Payne:** We are not saying we'd pull back from a trade economy. Indeed, the minister herself is saying that we want to change how we do trade in Canada. We are a big supporter of trade. A lot of our members get their jobs through trade.

You do have to balance risks and benefits. While a smaller industry—no offence, guys—may benefit a little bit, there are going to be very negative impacts on a lot of larger industries.

I mentioned forestry earlier. A lot of our members in Atlantic Canada work in the forestry sector. There was a side letter signed under the TPP that deals with forest products and the export of raw logs. This is a big issue, obviously, in B.C. They've made an agreement that it is going to be advanced, and that these rules on raw exports are going to be rewritten or renegotiated in five years. This is a big concern when we have a lot of members who work in secondary processing of logs.

As a country, we have to consider this. If these trade agreements don't allow us to have secondary jobs in processing and it's just a matter of sending our raw products to other countries, whether it's in forestry or fisheries, is that really a benefit to Canada, or is it a benefit to some company that's going to have a bigger bottom line at the end of the day?

• (1050)

**Hon. Gerry Ritz:** No, value-added is where it's at.

Mr. Hoffman, you made a point in talking about moving into new markets and actually developing products for that line.

Peter, I know we've had this discussion as well. You're talking about an ingredient strategy, but the ingredients in Japan are different from the ingredients in the U.S., so it's always about staying one step ahead and offering that next product.

I'm not going to ask for dollar values, but how much of what you do—and you're talking hundreds of millions of dollars here—goes into R and D, goes into that innovation line and that thinking for the next use?

**Mr. David Hoffman:** We're innovating all the time on the production end. We're funding research into better growing techniques, so that's ongoing. That's been extremely beneficial to the growers. We're looking at research on how to improve productivity within our factories, so that's continuous. In terms of market development, we do that as a company, and we also do that through the industry trade organization, so that's ongoing, too.

**Hon. Gerry Ritz:** Thank you.

**Mr. Peter Rideout:** I'll add to that. We're very much in the ingredient business and innovation in terms of new product development. To some extent we're still in the ingredient business, but also in developing consumer food products ourselves. You don't want to make that jump too quickly and end up trying to sell to your customers' customers, which is not a go-ahead prospect.

**Hon. Gerry Ritz:** Thank you.

**The Chair:** I have a comment, Mr. Hoffman.

I went to agriculture college, but I was visiting there lately, and they've developed a new sprayer that I think you guys developed in partnership. It has some kind of infrared and it only zaps the weeds, whereas previously everything would get sprayed, so it was a big waste and harder on the environment. That's where innovation comes from. It was good to see the co-operation with the local university in getting that machine, which just zaps what has to be zapped. It was quite innovative, so you guys are coming up with new ideas.

**Mr. David Hoffman:** Yes. This is a precision sprayer that we developed along with the agricultural college, the Dalhousie agricultural faculty.

It's using cameras on the sprayer to identify the different plants in the fields. Some of them, of course, are blueberry plants, but others may be weeds and less desirable. It would direct the farming application very specifically to where it was needed, so it would be both environmentally friendly and efficient. We had John Deere visit us to find out how to do it, so that was interesting.

**The Chair:** It seemed to work on the hilly acres around here.

We're going to move over now to the Liberals and Mr. Dhaliwal.

You have the floor for five minutes.

**Mr. Sukh Dhaliwal:** Thank you, Mr. Chair.

Welcome to the panel members and also to brothers and sisters from Unifor.

Ms. Payne, there are over 27,600 Unifor workers in B.C. as well, and thank you for the work that you do.

Over the last little while, we have heard different perspectives from a whole lot of people. On one side, people are coming to us and saying that TPP is a job booster or employment booster. On the other hand, people like yourself and Mr. Furlong are coming to us and saying that it is an employment killer.

Would you be able to give specific components of the TPP that you see as being the main reason for your thinking?

• (1055)

**Ms. Lana Payne:** Could you just repeat that? There was some noise over there. Just repeat the last part of the question, please.

**Mr. Sukh Dhaliwal:** I would like to see the specific components of the TPP that are going to affect the way your thinking is.

**Ms. Lana Payne:** I think when you talk about renegotiating a trade deal or going back to the table, you have to actually look at what the problems are with it now, some of which I've outlined here. Ultimately, in Canada and around the world, we're not an island unto ourselves. That's why we trade. However, there is different thinking about trade now in the world. It would be incumbent on Canada, as I think our minister is trying to do, to have a bold and new conversation about what trade looks like and what trade agreements look like.

There are so many flaws in this agreement that it would take a lot of fixing. Yes, there will be, I think, 3% of new markets opened up in terms of who we already trade with at the moment, but we already trade with 97% of the countries included in the TPP. It's ridiculous that we're thinking about giving away so much, particularly with auto jobs and potentially forestry jobs and a lot of other rural jobs in Atlantic Canada. There are just too many losses, I think, and very, very few benefits if any at all.

Not to go on too much, but look at all of the studies done, and not just studies by left-wing or progressive economists. Even the C.D. Howe Institute has done a study that basically has said that this deal is a wash. There are no true benefits to it and—

**Mr. Sukh Dhaliwal:** Businesses are looking for a level playing field when it comes to doing business on the international scene. I am quite protective about seeing that everyone has a level playing field.

Blueberries and salmon are the big commodities for us in British Columbia. That's what I see here, as well.

I'm all in favour of value-added product, so our local people are able to get high-paying jobs and make profits. How would panels like this get that level playing field if we don't sign the TPP?

**Ms. Lana Payne:** We're not getting a level playing field with the TPP. There have been a number of studies on the impact, for example, for the auto sector. If you look at what's happening, it's not a level playing field when we say that you no longer have to have the same percentage of Canadian-made parts to go into these cars. This is why we're going to end up losing 20,000 jobs. How is that a level playing field for workers in Canada and for the companies that employ those workers?

It's not just the unions saying that. Ford Canada has said that this is a bad deal.

**Mr. Sukh Dhaliwal:** Mr. Hoffman, do you want to add something to the comment?

**Mr. David Hoffman:** For our industry, I think trade is critical. We cannot survive on the domestic market, so we start with that.

From a world perspective, this is where wild blueberries are produced, so we have to have access to markets. I think that the broader the access, the better. I know that the same applies to cultivated blueberries in British Columbia. The volume of cultivated blueberries grown there is way more than this country can consume, so it has to have access to export markets.

For this industry, where we can develop those trade agreements it's beneficial, and it's critically important in the long term.

**The Chair:** Thank you.

That wraps up your time, Mr. Dhaliwal.

We're going to move over to the NDP now.

Ms. Ramsey, you have the floor for five minutes.

**Ms. Tracey Ramsey:** Thank you, and thank you so much for your presentations.

This is the perfect wrap-up to our cross-country tour, because this is the crux of the issue. This is a deeply flawed agreement. Trade will go down with every country that we're currently trading with. According to our government's reports, we'll see negligible growth. There will be 60,000 jobs lost, ISDS, drug costs going up for every Canadian, no environmental protections....

I think, to Ms. Payne's point, it goes back to the way we're crafting them. I'm please to hear her quoting the minister in the way she supports and backs up the fact that these agreements have been negotiated in secret in very flawed processes and that accepting these agreements as they are will harm Canadians.

We need to find a way to benefit those who want to get into those markets and who want to get their products exported, but not at the expense of other Canadians and communities that exist.

I think we need to start at the beginning. I hope this trade committee will, in the future, sit and define "progressive trade". We'll talk about where we go from here. We're entering into exploratory talks with other countries right now.

We need to create what will benefit both those who want to get into the sector and those who have serious issues with it because even those who want to get into the trade have non-tariff barrier issues. We heard that this morning regarding the lobster problems that exist in Sweden.

The TPP won't actually get us to where we need to go.

• (1100)

**Ms. Karen Ludwig:** On a point of order, Mr. Chair, this is the time for the witnesses.

**Ms. Tracey Ramsey:** I'm going to ask a question.

**A voice:** Thank you, Karen.

**The Chair:** The clock didn't start, so it's okay.

I remind all MPs not to get your questions in there at the end because it just makes it harder on the witnesses. I'm not picking on any MP. We all end up doing it. Just keep it in mind. You want your witness to be able answer the question properly.

**Ms. Tracey Ramsey:** My question is actually going to go to Mr. Furlong, and it's about the ISDS.

Right now in Parliament we're debating and talking about the Paris climate accord and where we will go with that. It has been brought before this committee that ISDS will threaten that. Are we going to be able to implement those climate change targets with an ISDS provision against us?

**Mr. Alex Furlong:** Thank you, Ms. Ramsey.

First, before I answer her question I want to say to my panellists here that I love blueberries, but I also like fair and progressive trade that works for everybody in the country.

When you have investor state provisions, it behooves me to ask why any government would take that responsibility and put it to a third person, so to speak, because it makes it more difficult. Also, as we all know, it opens up this government and this country to be sued. You need look no further than NAFTA—I even hate to use that terminology—and the impacts that has had.

When you're talking about the environment and you're talking about what the impacts of the ISDS would have, you have to look no further than.... As Ms. Payne says, we're already trading with 97% of these countries. If you look at climate change around the world, we've got a lot of work to do. If Canada wants to be a progressive nation around climate change, and I think this government has opened up and said that, then we need to be able to do that in a progressive way, without the risk of having other countries block that progress.

I mean when you're talking climate change, I think it benefits everybody that we have the discussion, but for something to end up at the ISDS in an arbitral place—

**Ms. Tracey Ramsey:** We've been sued the most over environmental issues under ISDS in chapter 11.

My other question is, what will the impact of higher drug costs be on people in Nova Scotia?

**Mr. Alex Furlong:** Let's just look not only at Nova Scotia but in the Atlantic region and right across the country. As Ms. Payne noted, the Atlantic region is a resource-based economy. We depend on the fishery. We depend on the forestry sector and those industries.

People should not have to make a decision of whether to buy drugs or food and put their health at peril. The Canadian Federation of Nurses Unions have been calling for a pharmacare strategy for many years. It would have a negative impact if drug costs in this region escalate. We have seasonal workers in the Atlantic region and this population.... It just makes it more difficult for people to have to decide whether they can afford drugs. We know, and the studies have proven, that the cost of drugs and the production of generic drugs will go through the roof, and the production of generic drugs with the patents and everything will be very limited or blocked in its entirety.

It will have a devastating effect on this region, and I have no doubt right across the country.

•(1105)

**The Chair:** Thank you.

Thank you, Ms. Ramsey.

We're going to move on to Madam Lapointe.

[*Translation*]

**Ms. Linda Lapointe:** Thank you, Mr. Chair.

I would like to welcome the witnesses and I am very pleased to have you with us today.

If you do not understand French, I invite you to use the earphones to hear the simultaneous interpretation.

Mr. Hoffman, my questions are for you.

You said that having access to exports was very important, but it was still critical to develop new markets. You also said, or it may have been Mr. Peter who mentioned it, that the market for this in Japan began in 1970, and that for Vietnam it would be in the long term. I would like to hear your thoughts on that.

[*English*]

**The Chair:** We're going to stop the clock and help the audience with their headphones. Let's hold it for a second. You have to turn it on and put it on channel one. Is everybody good to go? Can everybody hear?

I'm sorry, Madam Lapointe.

[*Translation*]

**Ms. Linda Lapointe:** Thank you.

I appreciate the fact that the witnesses are using their earphones.

[*English*]

**The Chair:** Your question, Madam Lapointe, was to Mr. Hoffman.

Go ahead, sir.

**Mr. David Hoffman:** Yes. Access to markets is critical. We know we have to be an exporting company and industry. We have reasonable access today to many markets. We do have some

significant trade barriers and tariffs, which are major obstructions to access to new markets. Vietnam, for instance, would be one of those. Vietnam has a 30% duty today against wild blueberries. China has the same, plus an ad valorem tax that makes it 47%, and this is true of cultivated blueberries as well, I believe, from British Columbia.

These are major barriers to access to markets. Those are the kinds of things that we need to try to change.

In the long term, we think that Vietnam can be a good market for us. You don't change the cultural eating habits of people overnight, so you have to start and you have to develop the market and that can take a long time.

Not everybody wakes up in the morning and thinks about wild blueberries first thing. Some people do, but nobody in Vietnam does. Therefore, we have to get people thinking about that and understanding the benefits of wild blueberries so that they will change their eating habits and consume, hopefully, large volumes.

[*Translation*]

**Ms. Linda Lapointe:** Thank you.

You do not need to convince me, since I love blueberries.

How many people here, in Nova Scotia, work in processing or harvesting blueberries? Do you have trouble finding workers for this?

[*English*]

**Mr. David Hoffman:** I don't think I can give you the exact numbers. We have four plants that process wild blueberries in the Maritimes and two in Maine. We would probably employ, on the processing side, maybe 1,000 people, and more seasonally. On the harvest side, of course, there is a lot of effort during the harvest season and in the growing season as well, and there are probably at least as many again. It's a very significant industry in our area.

[*Translation*]

**Ms. Linda Lapointe:** All right.

You spoke about processing blueberries. When you export this product, what proportion of the blueberries has been processed, and how are they processed?

[*English*]

**Mr. David Hoffman:** When we talk about process, we're talking about having cleaned and frozen them. Generally they're packed into a 30-pound box. That would be the format for most of the exports. When we talk about process, it's cleaned and sorted. We go through a lot of those kinds of processes to make sure the quality is perfect so that when it arrives in the customer's premises, it's ready to put into whatever product they're ready to use.

[*Translation*]

**Ms. Linda Lapointe:** As you know, I come from Quebec. There as well, the blueberries harvested are processed to be used in cooking, among other things. Here, do you export chocolate-covered blueberries, for example?

•(1110)

[English]

**Mr. David Hoffman:** There's a very vibrant industry in Quebec, particularly in the Lac Saint-Jean area. They have certainly been successful in growing that industry. For the most part, we're not doing any further processing. That is done by our customers. They're putting it into a whole variety of products.

I think there was a scan of what was happening in the Japanese market, and they had something like 200 different products in the supermarkets in Japan. We're not trying to replace all of that with the processing here. We're trying to sell to the companies that know those markets and know the right products for those markets.

[Translation]

**Ms. Linda Lapointe:** Thank you.

I have one brief question for Mr. Furlong.

How many people work in the automotive industry in Nova Scotia?

[English]

**Mr. Alex Furlong:** I will turn that over to Ms. Payne.

**Ms. Lana Payne:** We have people employed in the selling of cars, but the manufacture of cars is in Ontario.

[Translation]

**Ms. Linda Lapointe:** Thank you.

That is also the case in Quebec.

[English]

**The Chair:** Thank you, Madam Lapointe.

We're going to move over to Ms. Ludwig.

Go ahead. You have five minutes.

**Ms. Karen Ludwig:** Thank you.

Thank you all very much for your presentations.

I'm going to ask my questions quickly because I want you to have as much time to respond as possible.

I represent a riding, New Brunswick Southwest, which is rich in blueberries, fisheries, aquaculture, sardines, and forestry. From working and talking with many of the companies, I know that they have diversified their markets and hedged some of their bets, like Mr. Hoffman. In your business you have operations in the U.S. as well as in Canada. In the times when trade has gotten really tight and regulations have been more rigid than some companies can manage to be profitable in, they've shifted some of their production to the United States. We've heard that across the country with forestry, certainly with aquaculture and fisheries, and now with blueberries.

I'll go with the panel. Let's take the position that the Canadian government does not ratify TPP. How does that look to all of you when you consider the blueberry industry, fisheries, aquaculture, sardines, and forestry?

We've heard from witnesses who have said one dollar in export is the equivalent of nine in return for services. Let's work with that and

how we could best work that through, because we have not made a decision as a government on ratifying that agreement.

**Mr. Alex Furlong:** Let me just say, as Ms. Payne said, that we need fair and progressive trade.

The first place we would start is by not negotiating these agreements behind closed doors. That would be the first place to start. I would be so bold as to say that labour should be a partner or a player when these types of agreements are negotiated, just as corporations have an input into these types of trade deals. I have no doubt that has happened, and no one can convince me otherwise.

**Ms. Karen Ludwig:** If I could ask a quick question on that, Mr. Furlong, were you consulted previous to this on TPP consultations?

**Mr. Alex Furlong:** No.

**Ms. Karen Ludwig:** Thank you.

Mr. Hoffman, could you respond?

**Mr. David Hoffman:** I think the major existing markets we have continue to be there if TPP is not ratified, and that would include the United States. Europe, of course, is not affected by TPP, and neither is Japan. We sold the first wild blueberries in Japan 40 years ago, and we continue to sell to the same customer and other customers there, so I think that will continue.

What TPP allows is for growth into the future. It allows us to expand our presence in Japan with the elimination of tariffs and gives us the opportunity to grow into new markets that we might otherwise be blocked from.

**Ms. Karen Ludwig:** In those markets, what is the substitute for blueberries that one of you had spoken about?

**Mr. David Hoffman:** If you think about yogurt, we're an ingredient in fruit base in yogurt, so that you see blueberry yogurt. Think about all the other yogurts that are on the grocery shelf. You have strawberry, you have raspberry, you have peach, you have mango, and you have vanilla. We compete with all of those. That's our competition. We're truly in a worldwide competition with all fruits and other things.

**Ms. Karen Ludwig:** Thank you.

Ms. Payne, would you comment?

**Ms. Lana Payne:** If we don't ratify the TPP, then we'll save a ton of jobs, that's for sure and certain.

You mentioned in your comments that even with a trade agreement with the United States, we're losing production to the United States. We should be concerned about what that means for losing production, potentially, to some of these countries involved in the TPP. This is what has happened in our history with trade.

The other thing is that we do have an example of a minister who currently has renegotiated a deal. She has gone and met with the European Union to say that we need to look at changing some of the language in CETA. I might say to you that the language doesn't go far enough, but we certainly have an example on the record of how you can fix a trade deal when one is badly in need of fixing.

We have to think, as I said in the beginning, about the broader context. In this case, the risks and the losses far outweigh the benefits in the TPP.

•(1115)

**The Chair:** You only have 15 seconds, so...

**Ms. Karen Ludwig:** Okay. Thank you.

**The Chair:** We're going to move on to our last MP.

Mr. Van Kesteren, you have the floor for five minutes.

**Mr. Dave Van Kesteren:** Thank you, Chair.

Thank you all for attending this last session.

It's been revealing and interesting. It was a great trip to be able to explore and see some of the Maritimes and see some of the industries. You have a lot of things to be proud of in this province and in the other provinces as well.

Ms. Payne, I want to ask...and I'm not looking for a fight, believe me.

**Ms. Lana Payne:** That's okay.

**Mr. Dave Van Kesteren:** I want to ask you a question. You mentioned Ford. You're right: Ford came to us and said, "Don't do this deal." The other two—now we're talking about the Detroit Three; we used to call them the Big Three, but now they're the Detroit Three—want us to do this deal. Ford has just announced, and you know this, that they're going to move all their production of their small cars to Mexico. How can we stop them from doing that?

**Ms. Lana Payne:** I'm not an expert in auto, but I do work for this union. I would say to you that we've had many good examples in the history of Canada of how we can boost production of cars in Canada. It starts with having an auto strategy for the country. Our union has done a ton of work on how—

**Mr. Dave Van Kesteren:** You're playing the politician here. That's what we do. How do we stop them from going to Mexico?

**Ms. Lana Payne:** How do we stop them from going to Mexico? Well, we have a trade deal with Mexico, and now we're going to have a trade deal—if this goes through—with Japan, which will also have a negative impact on the auto industry. We could start by saying we're going to have incentives. I don't mean government money, but look at what everybody else is doing in order to support a prosperous auto industry. We just had a round of negotiations in which we created long-term jobs with GM in the Oshawa region of Ontario. We did that at a bargaining table. Can you imagine what a government could do if they got serious about having an auto strategy, if we can do that at a collective bargaining table?

You do want to have a fight. I see this.

**Mr. Dave Van Kesteren:** No. You have way more people here—

**Voices:** Oh, oh!

**Mr. Dave Van Kesteren:** —and you don't take a knife to a gunfight.

You haven't answered the question. I'm really looking for an answer, because you mentioned General Motors. There have been rumblings from General Motors that they're going to pull out of Oshawa.

How do we stop American companies from pulling out? Incidentally, maybe we'll get into it if we have the time and we'll

talk about what Donald Trump has been saying. How do we stop them from moving their facilities out of Canada into Mexico?

**Ms. Lana Payne:** How do you stop anybody from doing that?

**Mr. Dave Van Kesteren:** I'm looking for an answer. I'm really looking for an answer.

**Ms. Lana Payne:** I think we've done a very good job of keeping jobs in Canada, despite all of the adversity that we've faced, including from the previous government in the last 10 years.

We have to be smart about how we do this. It's not going to be done with just the union and the company working together at a bargaining table. You need to have government involved in this.

If we care about a sector, whether it's the auto sector, the forest sector, or any sector in this country, we need a proper strategy to develop an industrial strategy for the nation. You can't leave this off on its own and assume that you can leave it up to the marketplace or leave it up to these trade deals. Build in supports in the deals to make sure, for example, that we can have a prosperous auto strategy, forest strategy, or sector in our country, instead of giving away the shop every damn time that we sign these deals. It's unacceptable.

•(1120)

**The Chair:** Mr. Van Kesteren, you have one minute if you want to get a question in.

**Mr. Dave Van Kesteren:** When the Detroit Three—actually, the two—were just about going broke, the federal government forked \$4 billion into that. I didn't have enough time to talk about our auto plan, but you and I both know that if one of these foreign companies—and they're foreign companies—says they're moving to Mexico, we can't stop them. You and I both know that.

**Ms. Lana Payne:** We just brought investment to Canada back from Mexico. The Silverado, which now will be produced in Oshawa, is currently being produced in Mexico. It can be done.

**The Chair:** Your time is up. I'm sorry, sir.

That ends our panel. That's the last panel in our travelling.

Thank you very much, panellists. It was a very good discussion amongst all, with very different perspectives. Thank you again for coming. You represent a lot of people—a lot of people with regular jobs and in industry.

Before I suspend—I think we're going to try to get in an hour here with the audience—I will remind the audience to keep comments to two minutes. Then I'll be able to get in everybody who wants to be on the list and say a few words.

We're going to break for five minutes. The first one going to the mike when I return will be Cordell Cole.

•(1120) \_\_\_\_\_ (Pause) \_\_\_\_\_

•(1130)

**The Chair:** Everyone, please come to the table.

Now we go to the open-mic period with the audience. We've done this in every city or every province we have visited and it has gone quite well. We have a good list here today, which is good to see. We have around 16 speakers. We'll keep remarks to around two minutes. I ask you to try to keep your applause very short or refrain from applauding, because you're cutting into the next person's time.

We are here to listen. We are not going to be responding to you. We're here to listen, and our clerks are taking down the notes. Part of your submissions will be in with our report, along with those of many others.

If you feel you could not convey everything you wanted to convey, we have an email address so that you can submit your comments later on. You might think of something that you didn't say. Just send it to us and it will be all part of our study.

Without further ado, we're going to start off with Cordell Cole and Tom Griffiths.

Cordell, you've got it. Go ahead, sir.

**Mr. Cordell Cole (As an Individual):** Good morning, Mr. Chair. My name is Cordell Cole. I'm an international representative from the International Brotherhood of Electrical Workers and, first of all, I'd like to thank you for the opportunity to speak this morning.

Today I rise against the TPP. This is the first trade deal to specifically mention construction workers. Regarding chapter 12 of the agreement, there was no consultation by the Harper government with the Canadian building trades unions, which make up a significant amount of the construction workforce in Canada.

In our view, this agreement would allow foreign contractors to come in here and bid more aggressively than our Canadian local contractors can. Furthermore, in chapter 12, there is no policy to hire Canadians first, and therefore, regardless of the unemployment levels in your city, your region, or your province, foreign contractors could come in and bring a totally foreign workforce to perform the work in your area. To me that's certainly wrong.

Entry of foreign workers wouldn't require trade-specific certification tests, and the length of stay for the foreign workers would be up to one year with the possibility of obtaining extensions. Also, it appears that there will not be any extensive enforcement requirements under the agreement, which leaves it open for foreign contractors to pay substandard wages and provide substandard working and living conditions for foreign workers.

Mr. Chair, Nova Scotia has a long, proud history of producing and providing a highly skilled, highly productive, and safe workforce to the users of construction. We have been doing this for over a hundred years. The unions of the Nova Scotia building trades have a strong commitment to trades training and spend millions of dollars each year on apprenticeship and journeyman upgrade training. The workforce here is world class, and we've completed everything from the smallest commercial jobs to the biggest industrial sites, including offshore platforms. Simply put, we do not need foreign contractors

to come into Nova Scotia to do work that we have qualified people to do, so we're asking that the Liberal government have a long look at this, and at the end of the day, say no to the TPP.

Thank you very much, and good luck in your deliberations.

•(1135)

**The Chair:** Thank you, sir.

Can Darlene Mcivor go to mic number one?

Tom, you're up. Go ahead, sir.

**Mr. Tom Griffiths (As an Individual):** Thank you.

Mr. Chairman and committee members, thank you for the opportunity to speak to you this morning. My name is Tom Griffiths and I'm a business representative for the International Brotherhood of Electrical Workers, Local 625. I represent 1,000 electricians in Nova Scotia and P.E.I. I'm also a delegate to the Mainland Nova Scotia Building Trades Council. Together we represent 14 construction trades and over 14,000 construction workers in this province.

I speak today in opposition to the ratification of the trans-Pacific partnership. This deal was agreed to by a defeated Conservative government just 14 days before they faced the wrath of Canadian voters, voters who were fed up with their anti-worker agenda. In their rush to pass this trade deal before being swept from power, this former Conservative government failed to consult with Canada's building trades unions, who together represent nearly one-third of the skilled tradesmen in Canada. Mr. Harper knew we would oppose this deal.

However, they did find the time to consult their friends, the Merit Contractors Association of Canada, a group of open-shop contractors who employ less than 1% of the construction and skilled tradespeople in Canada. Merit supported this deal because they knew it would drive wages lower in this country, a less than honourable motive.

The TPP allows for foreign companies to bid on contracts in Canada with the labour rates and working conditions common in their third world countries, and after they underbid Canadian companies for those projects, they're allowed to bring their own workforce in to Canada to do the work, with no regard for prevailing wages, licensing and certification, or typical worker benefit packages. They're not even subject to the labour market impact assessment currently used to control the temporary foreign worker program. The so-called business visitor class permits them to bring installers, repairers, and maintenance personnel into Canada to work without requiring them to attain a work permit. What kind of government—

**The Chair:** I'm sorry, sir, but your time is up. If you have more comments or thoughts, you'll have to send them in.

On mic number two, can we have Susan Hirshberg?

Darlene, you're up. Go ahead.

**Ms. Darlene McIvor (As an Individual):** Good morning, and thank you for the opportunity to speak at these hearings.

My name is Darlene McIvor, and I am the chair for Unifor Local 2215 and the manufacturing chair of the aerospace sector for the Unifor national executive board. I am also a member of Nova Scotia's north shore chapter of the Council of Canadians.

I wish to start by stating that neither I nor the organizations I represent are anti-trade, protectionist, or opposed to trade agreements. However, I am concerned about the bias inherent in the TPP's investor state dispute settlement provisions, known as ISDS, which create an imbalance between corporate rights and the rights of citizens, workers, and other groups.

Under NAFTA, Canada is considered the most-sued developed country in the world, and all indications are that under the TPP, the frequency will increase.

What seems apparent is that the laws and standards that aim to protect the things we value make us the most vulnerable to suits by foreign investors. This puts our policies around labour, the environment, agriculture, health, and social programs at risk, and threatens our social fabric, our communities, and our national sovereignty.

As a brief example, Bilcon, a U.S. corporation, proposed to construct and operate a quarry and marine terminal in Digby County. In 2007, a joint federal-provincial environmental assessment panel recommended that the project be rejected because of potential negative environmental impacts. Bilcon sued Canada under NAFTA, seeking more than \$100 million in damages, and a split panel ruled in their favour. The tribunal concluded that the government's actions frustrated the investor's legitimate expectations and that Canada violated NAFTA's fair and equitable treatment obligations.

In conclusion, I thank the committee again for listening, and I hope that what they have heard in Nova Scotia and across the country will encourage our federal government to reject the TPP and pursue more just and fair trade agreements.

● (1140)

**The Chair:** Thank you, Darlene.

Michael Bradfield, could you go to mic number one?

We have Susan on mic number two. Go ahead, Susan.

**Ms. Susan Hirshberg (As an Individual):** Hi. I'm Susan Hirshberg. I am here as a private citizen, or perhaps as a mother, and I am against the TPP.

I'm sure that in other testimony there have been all kinds of things about the possible environmental impacts of passing this treaty. I'm sure there has been discussion of the social impacts and labour impacts.

I think the most defining issue of our time is climate change. As a mother, I watch my children growing up, and I know that what's out there with regard to climate change is an enormous challenge, both for Canada and for the world.

I know that the Government of Canada needs to be incredibly active to come up with a plan that can guide our entire society on how we deal with this issue. I think it is very clear that the TPP will interfere with our ability to engage in long-term planning as a country, as a society, and as a member of this world.

The four major killers caused by climate change are natural disaster, food and water scarcity, social unrest, and disease. Any one of those is a huge issue, and they all work together. It is absolutely imperative that our government maintain its ability for long-term planning in order to face this tremendous issue in the future, and the TPP will very much reduce that ability.

Thank you.

**The Chair:** Thank you, Susan.

Brian Bennett can take mic number two, and we'll go to mic number one.

Michael, go ahead, sir.

**Mr. Michael Bradfield (As an Individual):** Thanks for the opportunity.

As an economist over more than 50 years of study and teaching, I oppose the TPP because it's about neither "free" nor "trade". I'll give you a 55-minute lecture in two minutes.

The point that I think people have to realize is that when you cite economists and economists' models, the model of free trade that predicts some benefits from free trade does not predict any increase in jobs from free trade. It predicts that we will produce more of the goods that we're relatively good at producing and import goods that we're relatively bad at producing, compared with other countries. Therefore, the model does not predict any job growth.

What the model does say is that you'll get efficiency benefits from producing the things you're good at. The problem here is that it's also a job situation. To make that prediction of growth in efficiency, you have to assume that you have a full-employment economy. Tell me two countries in the world that have had full employment in the last 10 years or can predict it.

First of all, that doesn't exist. Second, when we have growth in some industries and losses of jobs in other industries, what's the job content of those industries? The so-called petrostate, which one government wanted us to become, pushed the oil industry or the fossil fuels industry, which is highly capital-intensive—i.e., the number of jobs per million dollars produced is very low—so that we ended up both encouraging an industry where there are very few jobs and losing industries, as Ontario knows, where there are a lot of jobs.

I will end by citing the Macdonald royal commission, the first big promoter of trade in Canada. They said it's a leap of faith, and the only benefit we would get from it is the psychological benefit of feeling that we are one of the first countries to adopt free trade.

**The Chair:** Thank you.

Shauna Wilcox, you can go to mic number one.

Brian, you have the floor.

**Mr. Brian Bennett (As an Individual):** Good morning.

My name is Brian Bennett. I work in a dairy plant here in Halifax. There's been a lot of talk about auto and everything else, but I just want to let you know that dairy is all across the country. We all drink milk and eat cheese and yogurt.

One of the main things I want to ask is why this government would want to support a deal brokered by Ed Fast and Stephen Harper and his cronies. I have no idea why you would want to do that. That's number one.

We really feel under threat here in Atlantic Canada. We're under threat from Quebec and Ontario. We got bought out here three years ago by a company called Agropur. They're always coming down and telling us, you know, this plant is more efficient than that one, or this one's going to close. I can guarantee you that there'll be fewer of us working, especially if they open up the borders to more cheese and whatever. That means we'll be processing less milk, which means fewer jobs.

The big picture is this: yes, the farmers will get compensated for their lost quota for a little bit, but I can guarantee you that it will be the end of the rural farms here in Atlantic Canada. We're all scared. This is unquestionably a 100% bad deal for Atlantic Canada and all of Canada.

That's all I have to say.

• (1145)

**The Chair:** Thank you, sir.

To mic number two we will get James Pollock.

Go ahead, Shauna. You're on mic number one.

**Ms. Shauna Wilcox (As an Individual):** I just want to say thank you for giving me the opportunity to be here.

I have to mention that I am disappointed in the lack of town hall meetings taking place. We didn't have one in Cape Breton, and to my knowledge there was none in Nova Scotia. I think that was promised to us. It would have given other people the opportunity to attend, people who may not be able to be here today.

I am going to start at the end, in case I get cut off. I am standing in opposition to the TPP, and I expect you folks to make the same decision. There is no point in signing a trade agreement that has no economic benefit for Canada but does have major political and social implications, including the potential to diminish the health of Canadians, the people who voted you folks in.

With regard to the policies, legislation, and regulations that we do have in place to protect us from harmful products, the TPP can take that away from us. It can give companies the ability to freely market

products that could be harmful to our health. That's because of the ISDS. We've already seen that under NAFTA, with the Ethyl Corporation and MMT, which is suspected to be a carcinogen. A lawsuit took place, and it is no longer banned. We also paid \$13 million out to that company.

Another concern is the future legislation and policies, and the unwillingness of policy-makers to make health and other regulations in fear of litigation.

Those are some of the concerns I have. We need to be careful with the regulations we have, and we shouldn't be pushed into something we don't want because of fear of being sued.

Thank you.

**The Chair:** Angela Giles, please go to mic number one.

James is on mic number two. You have the floor, sir. Go ahead.

**Mr. James Pollock (As an Individual):** My name is Jamie Pollock, and I am from Cape Breton.

One of the things I am not is a fluent speaker or slick with my words, but one of the things I love to do is say that I'm a Canadian. As Canadians, I and the people I've talked to are not in favour of the TPP.

I would like to talk today about prescription drugs. I've spent the last 29 years in health care, working in long-term care in the nursing home sector. In the last five years, I've transferred over to a program called the adult day program. Our job is to keep seniors out of the nursing home as long as possible so that they can enjoy the last years they have with dignity and respect.

I see our clients coming to the adult day program, on average, three times a week. They can't afford their medications. They're not taking medications because they don't have the money. With the pharmaceutical companies and the patent extensions that will be part of the TPP, the generic drugs will now be delayed when this whole process takes place.

They can't afford it now. People say that in Cape Breton the seniors eat toast and tea because that's what they like. I don't believe it's geographical; I believe it's because they don't have the money. You're going to take these seniors, citizens of Canada, who can't afford it now....

Drug companies are getting richer, and everybody else is getting poorer. We deserve better than that. I really feel that, as was mentioned before, we don't have a level playing field. It's not there. The seniors, Canadian citizens, deserve better.

I really wish you guys would reconsider this. Thank you.

• (1150)

**The Chair:** Thank you.

Karl Risser can go to mic number two.

Angela, you are at mic number one. Go ahead, Angela.

**Ms. Angela Giles (As an Individual):** Thank you.

Thanks so much for hearing our concerns here. I just want to say that I hope this is a true consultation and that you actually listen and make decisions based on the feedback you've heard across the country at these consultations.

My name is Angela Giles. I work for the Council of Canadians, for the Atlantic region. We are a social justice organization promoting progressive policies. I won't go into it, because you've already heard from several of our supporters, staff members, and board members from across the country, including Ken Kavanagh yesterday in St. John's, who spoke about ISDS and the concerns around what has already happened in the province of Newfoundland and Labrador with the two ISDS challenges that took place there.

I was happy to hear Darlene speak about the Digby Neck quarry, which is an investor state dispute settlement that has impacted us here in Nova Scotia.

I wanted to raise these because despite all the pronouncements of improving the middle class and job creation with these trade agreements, on the back end of these deals, the huge amount of compensation that has already been dished out under ISDS chapters comes out of the government coffers. When we don't have enough money for public health care, when we don't have enough money to support indigenous communities that have been on boil water orders for years, and when we can't afford something as crazy as free post-secondary education, the links are never made.

I want to point out that these links need to be made. It's not just about the front end of the trade deal. It also needs to be about the full lifespan. Thank you.

**The Chair:** Thank you, Angela.

Timothy Carrie is at microphone number one.

Karl, you're up. Go ahead, sir. You have a couple of minutes.

**Mr. Karl Risser (As an Individual):** I am Karl Risser, Marine Workers and Boilermakers Industrial Union Local No. 1, and the ITF inspector for Atlantic Canada.

I would like to start by saying the same as everybody else. We're in favour of fair trade, and we want good trade deals.

For a worker, collective bargaining draws some lines. In collective bargaining, there are good collective bargaining agreements and there are bad. This is a bad agreement. When we look at the past agreements under the Conservative watch, there were 500,000 manufacturing job losses in 10 years. These are the best

jobs that we create, with nine or 10 spinoff jobs in the economy. These are the jobs that we need to protect. These are the jobs that people rely on. These are community jobs. These are the jobs that things are built around.

I love blueberries too, but for blueberries, they're bring in temporary foreign workers by the busload. We're talking about good jobs. We need to protect good jobs, and to do that, we need to plan.

There is Canada's shipbuilding procurement strategy, creating thousands of jobs in the area that needs it most in Halifax. That shipyard is booming. We have new technology and innovation. There are great things that are going on there. This deal will stop us from taking the next step.

We have a shipyard in Marystown that's empty. The workers are all laid off. We had 1,000 workers there. We want those guys working. Whoa, let's start creating a domestic fleet. Let's start working at the marine section. Let's start building ships. Let's start creating jobs in Newfoundland. Wow, we can do those things, but we can't do them under bad trade deals, so we need to protect that.

In closing I will say this: manufacturing matters, good jobs matter, and we rely on you guys to protect them. Eighty people control the same amount of wealth as 3.5 billion people. I think politicians should be like NASCAR drivers. You can guys can decide to put 80 names on your jacket or 3.5 billion names.

**The Chair:** I ask David Gates to come to microphone number two.

Timothy, you have the floor. Go ahead, sir.

**Mr. Timothy Carrie (As an Individual):** It's been a while since I've been called Timothy, but thanks.

I'm Tim Carrie, from London, actually. I know the panel didn't come to London, so London has come to you.

Prior to my responsibility as a director of education for Unifor, I was the president of Unifor Local 27 in London, representing auto parts workers.

I'm going to name a few facilities: auto, the Ford plant in Talbotville; auto parts, Siemens; Dana, and I can go on to several others. Those are thousands and thousands of jobs.

I go back far enough to remember the debate on free trade with Brian Mulroney and I go back far enough to remember the race-to-the-bottom argument that we put forward. I go far enough back to recognize when NAFTA came into effect. All of the promises that I heard here and all the wishful thinking, I heard back then. But what have I seen? It has been job loss after job loss after job loss, and in manufacturing, the race to the bottom. The way that we've tried to maintain a few jobs was to negotiate downwards, with workers taking cuts just to keep the jobs. That is not fair trade.

I know when the panel was speaking, Lana was asked, "How can we stop them from going to Mexico?" I'm not going to answer that, but I'm going to tell you a way that you don't stop them from going to Mexico, a plan that doesn't work. When you eliminate the tariffs, when you eliminate the Auto Pact, which requires 60% Canadian content for vehicles that were sold in this country, that is certainly not going to stop jobs from going to Mexico; it's going to enhance more jobs going. When you allow a dollar to get artificially high, any economist who's really looking at it will tell you that it's not going to stop jobs from going. There are ways to stop it, but what I saw was governments always putting in place things to enhance it.

•(1155)

**The Chair:** David Rory Ladouceur is going to microphone number one.

Is David Gates here? David Gates is not here, so we're going to go right to David Ladouceur.

Maybe we can get Martha Asseer to get ready at microphone number two.

Go ahead, David.

**Mr. David Ladouceur (As an Individual) :** My name is David Ladouceur. I wear many hats with the union, but today I'm going to talk to you as a first nations person. I'm Anishnabe. I'm from Shawanaga First Nation.

There was no consultation with any first nations people invited here. Once again, you're leaving out a major component of Canadian society, and this is not a fair deal for Canada if it's not a fair deal for first nations people. You have to take your heads out of your butts and realize where we're at in taking the resources from Mother Earth and not being concerned about the next seven generations, about my grandchildren, your grandchildren, and the children who follow.

The short-sighted deals have done nothing for the Atlantic coast and they have done nothing for Canada. It's time we started realizing that. It's terrible.

A lot of learned people have been up here speaking before me, and all I can do is speak from my heart. I watched my brother-in-law pass away from cancer last year, just in February, as a matter of fact, and the bills for medication were outrageous. I have a sister who is now battling a brain tumour. These are all issues that we're going to have to contend with, right? How are we going to pay for that? How are we going to cover that?

As a union member, I'm told to carry the line, but sometimes when that line is crossed, you have to speak from your heart. I'm asking everybody here to look at this deal and to look at it with your heart and see if we're going in the right direction. I don't think we are.

Does that white paper you're showing me mean that I have 30 seconds left?

**The Chair:** No. Go ahead, sir. You're doing a really good job.

**Mr. David Ladouceur:** I thought you were surrendering, the way you were holding up that white paper.

**Voices:** Oh, oh!

**Mr. David Ladouceur:** I work down at the shipyard. I just got on there. We're trying to represent workers down there and trying to get equity in there, and this is going to go in the face of everything we've been fighting for. This trade deal sucks, just like the rest of them do.

Thank you.

**Voices:** Oh, oh!

**The Chair:** I'm trying to get on track here. Martha is supposed to be at mic number one.

Martin, you can go to mic number two.

Martha, you're up. Go ahead.

•(1200)

**Ms. Martha Asseer (As an Individual):** I'm here as a regular Canadian citizen. I'd like to speak to two points that were brought up by that gentleman in particular and that lady.

At this point, I think most citizens around the world are increasingly concerned about these trade deals. While we all want strong countries and we all have established companies that have been trading, increasingly there are hidden multinational corporations.

You said that America could pull out their car manufacturers and send them to Mexico, and we could make these trade agreements and then find out that all of these corporations suddenly magically appear and there's no protection.

The American citizen is not aware that 80% of all drugs are exempt from legal liability. This is as passed by the U.S. Supreme Court. Eighty per cent of pharmaceutical drugs are exempt from legal liability. Our press did nothing to cover that. We were not informed about it.

Why is this important? Well, the gentleman here just spoke about our farmers. Monsanto has just acquired CRISPR, and then they're going to be bought out by Bayer. Bayer was found to be involved with AIDS-tainted drugs. You have an agricultural multinational corporation being bought by a huge pharmaceutical company, and we have no knowledge of how they can impact not only trade but also products that are increasingly dangerous. Our neighbours are wide open to adverse health effects that are, increasingly, warnings of heart attacks, internal bleeding, and things that we're not even aware of.

I am against this agreement simply because we want it investigated. Exactly what highest level of secretive corporate transnational deals are being made and how are we being protected?

Thank you.

**Voices:** Oh, oh!

**The Chair:** Martin, can you go to mic number one?

Christopher Majka, can you go to mic number two?

Martin, you have the floor. Go ahead, sir.

[*Translation*]

**Mr. Martin Bussieres (As an Individual):** Good morning. My name is Martin Bussieres. I am a father.

Someone said earlier that all everyone would be on a level playing field. Personally, I wonder whether the cheese slice I give my children will be edible and whether they will be able to eat it. Will the farmers in Nova Scotia or Canada have to change their standards and adopt the same standards as other countries?

We have already had enough problems. Products have been imported into Canada. I am thinking of the children's toys that were defective, for example, that came from countries that want to be part of the TPP.

Are the standards going to change in those countries? Are our own standards going to change? Am I going to be able to give my children an edible cheese slice?

Thank you for your attention.

[*English*]

**The Chair:** Thank you, sir.

Before we go to our next speaker, for anybody who wants to send any comments, we're going to post the email address out there on your way out if you want to write it down or punch it in.

Right now we have Christopher.

Our next speaker, who will be ready at mic one, will be John Culjak. John could be ready at mic one.

Christopher, you're up. Go ahead, sir.

**Mr. Christopher Majka (As an Individual):** Thank you very much for the opportunity to speak.

My name is Christopher Majka. I'm a writer and ecologist. I will be brief.

Fostering trade can certainly benefit both people and the economy. That said, the devil is always in the many details of such agreements, and that is certainly the case with the trans-Pacific partnership, where there are very many hidden devils.

While I applaud many issues that the TPP addresses, the actual provisions in the agreement allow for many concerns with respect to the ways in which these will be addressed. For instance, in regard to environmental protection—something which, as an ecologist, is of particular concern to me—many environmental organizations have pointed out ways in which the agreement could threaten our climate and environment. The agreement provides for new rights for corporations, in particular those related to the fossil fuel industry, that are potentially environmentally destabilizing and could have a massive impact on the way in which we address climate change, water issues, and land issues.

The TPP has also been criticized as being incompatible with the sustainable development goals of the United Nations, a critical international framework for developing a sustainable future for our planet.

I'm similarly concerned with provisions of the TPP that tighten and extend patent laws that would allow pharmaceutical companies to boost prices, restrict access to medicines in the developing world, and delay or derail initiatives to make less expensive generic drugs available. Médecins Sans Frontières and Oxfam have both pointed out that patent extensions and data exclusivity provisions in the agreement could result in a spike in drug prices that could threaten millions of lives.

Finally, the investor state dispute settlement mechanisms that are part of the TPP are perhaps the most concerning aspect of this agreement. These provisions grant enormous powers to corporations and investors and greatly interfere with the ability of governments to undertake initiatives that would benefit their own countries and citizens. They can undermine the judicial systems of member states and weaken important powers of governments to act and legislate with respect to public health, national security, environment, food and drug safety, and in response to economic crises. I would posit that such restrictions to the sovereign powers of governments are incompatible with a 21st century environment, which values participatory democracy and the rights of citizens to determine their future.

For all these reasons, I would respectfully submit that the Canadian government should not ratify this agreement.

Thank you very much.

● (1205)

**The Chair:** Thank you, Christopher.

We're going to go over to John.

John, you have the floor. Go ahead, sir.

**Mr. John Culjak (As an Individual):** Thank you.

My name is John Culjak. I'm a writer and I represent myself.

In search of a more equitable trade pact, we must ethically reject the TPP. Part of the TPP debate is whether or not jobs will be lost to countries that can manufacture products at a lower cost. We know from past trade pacts that jobs can and will be lost.

Another concern is often less about trade and more about giant multinational corporations finding new ways to rig the economic system to benefit themselves.

The TPP will give multinational corporations the right to sue the governments that will not comply with their wishes to earn more money. It will allow the corporations to sue for potential loss of money due to policy or laws passed by the government. For example, the TransCanada Corporation is currently suing the U.S. government for \$15 billion—yes, \$15 billion—in damages under NAFTA, another trade agreement, for rejecting the Keystone pipeline.

These same changes are applied to the TPP and will bring about the suing of our government by multinational corporations. By the way, guess who is going to pay for that? We are. The people are going to pay for that—the 99%.

Signing and passing the TPP will go even further, creating a situation whereby our laws ultimately will be determined by multinational corporations under the threat of lawsuits. According to Lori Wallach, the director of the Public Citizen's Global Trade Watch, passing the TPP will give corporations the right to sue the government via a tribunal in which corporate attorneys decide if the corporation or the government will prevail.

In conclusion, that's only the tip of the iceberg. Passing the TPP will have a detrimental effect not only on jobs and the economy but also on our health system and the environment. Let's not give the 1%, the huge corporations, the right to dictate to our government what our laws should be in order that they may profit at the expense of the remaining 99%. The government must stand up up to the corporations, protect its people, and do the ethical thing. I implore you to stop the TPP.

**Voices:** Oh, oh!

**The Chair:** Thank you, John.

That concludes our audience's remarks. I thank everyone for their participation.

Everything you say is going to be incorporated into our study. If you have any other thoughts, we have an email address and you can send them to us.

This also concludes our Atlantic tour. We've ended it in the beautiful province of Nova Scotia. It also ends our cross-country tour. We're still going to hear witnesses back in Ottawa. We're going to be putting this report together, and you'll be able to see it online.

Thank you very much. We wish everybody safe travels for the afternoon.

The meeting is adjourned.

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