



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on International Trade

CIIT • NUMBER 038 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, October 18, 2016

—
Chair

The Honourable Mark Eyking

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• (1100)

[English]

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

Welcome back, everyone, from the break week in your riding. I hope everything went well.

Today we'll continue with our study on TPP.

Welcome to our guests. Our committee has been fairly busy. We're dealing not only with TPP but with other issues as well, including softwood lumber and the European trade agreement. We've been travelling quite a bit over the last few months. We visited all the provinces and we have had many meetings with stakeholders. We're also getting submissions from the public. The clerk says we have had more than 20,000 emails from individuals. The agreement is a big deal, with 40% of the world's GDP involved.

As I said, we got to every province and we saved the best for last—the territories. We would have loved to go up to your area, but we're kind of constrained for time and money. At any rate, we welcome you and your perspective on TPP and any other issues you want to talk about with trade.

We usually give each presenter around five minutes. Then we open it up for dialogue between the MPs and our witnesses.

In the room with us today is Mr. Marshall, from the Mining Association of Canada. From Yellowknife we have Lois Little, and from Whitehorse we have Vikki Quocksister, Richard Karp, and Stan Thompson.

Mr. Marshall, perhaps you could start first. After your presentation, we'll move on to the territories.

Go ahead, sir.

Mr. Brendan Marshall (Vice-President, Economic and Northern Affairs, Mining Association of Canada): Mr. Chair, esteemed members of the committee, clerk and fellow attendees, I'm Brendan Marshall, vice-president of economic and northern affairs at the Mining Association of Canada. MAC is the national voice of Canada's mining and mineral processing industry. I am pleased to appear and discuss this important matter.

The Canadian mining industry is a major economic driver, contributing over \$55 billion in GDP in 2015, employing approximately 374,000 people, and accounting for \$92 billion, or one-fifth, of the overall value of Canada's total exports. Across all

four stages of mining, the industry also accounted for \$43.2 billion in foreign direct investment in Canada—that's 7% of the country's total.

Understanding the committee's focus today, I would like to speak on two areas. The first is the industry's perspective on the trans-Pacific partnership, and the second is how Canada's critical infrastructure deficit in the north acts as a barrier to the territories' benefiting from TPP.

MAC expresses its firm support for Canada's participation in the TPP. On principle, Canada's mining industry strongly advocates for liberalized trade and investment flows. Free trade agreements, such as NAFTA and others with various countries in Latin America, Africa, and Asia, have all helped to increase Canadian mineral exports. Importantly, they've also increased two-way mineral investment that has supported mining jobs for Canadians and the generation of taxes, royalties, and a host of indirect and induced economic benefits. A testament to this is the fact that Canada's mining industry is one of the largest in the world.

The products that our members extract are sold on international markets at international prices all over the world. Given the highly internationalized nature of the business, measures that break down price barriers and other barriers can become competitive advantages for companies. At the very least, pursuing the TPP ensures that Canada remains on a competitive playing field, all else being equal, with other peer mining countries the world over. The TPP represents a massive trade bloc, including critical emerging markets, and is a trading partnership Canada must not risk being left out of.

Mining is the largest private sector driver in Canada's north, employing approximately 8,500 people. That's one in six jobs. As of 2014, direct GDP contributions in Yukon, the Northwest Territories, and Nunavut were 18%, 29%, and 18% respectively. Mining has had a transformative effect on northern and indigenous communities through generating employment, supporting skills and training, and, in some cases, contributing royalty or direct equity shares, all while paying taxes and royalties to governments.

With respect to the north, it is instructive to ask the question: if the TPP is enacted, will it benefit the region? I would say, all else being equal, yes. Unfortunately, though, all else isn't equal in Canada's north. Let's have a look at why.

A recent industry report that MAC spearheaded, called “Levelling the Playing Field”, found that it costs two to two and a half times more to develop a comparable mine in the north than it does in the south, with 70% of the cost differential stemming directly from the lack of infrastructure. Geography itself, in these circumstances, and the costs that result from it, significantly affect the economic viability of project development and threaten the long-term viability of the largest private sector economic driver across the three territories. Decades have gone by without substantial trade-enabling infrastructure development.

While the infrastructure deficit is significant, there is tremendous potential in the north. MAC's research indicates that 15 mines could start or restart production in the next decade, with total life-of-mine investment exceeding \$35 billion, nearly four-and-a-half times the size of all territorial economies combined in 2014.

Opening up the north to responsible mining development in partnership with communities will enable northerners and indigenous communities to increasingly access the socio-economic benefits that mines bring to regions. To this end, MAC recommends that the federal government establish tax and infrastructure investment incentives for remote and northern regions and include a northern-specific fund within the proposed Canada infrastructure bank based on the highly successful Alaskan model, AIDEA. The concept of incorporating a northern fund within the Canada infrastructure bank has been supported by the National Aboriginal Economic Development Board, as articulated in its January 2016 report, and the Canadian Chamber of Commerce, in a study released in June.

Depending on how the Canadian model is developed, direct and indirect job creation, tax and royalty revenue generation, and broad-based social and economic development can be weighed in assessing the public value of an applicant's business case. Further, special consideration could be given to infrastructure investments that enhance the economic viability of projects in regions with historically high unemployment and limited alternative development opportunities. Considerations such as these require recognition of the unique challenges and opportunities facing northern Canada. Creating a mechanism that facilitates economic growth will enable remote and northern regions to further develop their potential for business development, thus reducing their reliance on federal support.

● (1105)

Across the areas of trade and investment, indigenous reconciliation, and climate change, the pursuit of stated public policy objectives in the north must be done in tandem and built on a solid foundation. Without strategic and wealth-generating infrastructure development to enhance investment competitiveness, the north will unsustainably remain disproportionately reliant on transfer funding for core services and program delivery, frequently at lower standards than southern Canadian jurisdictions enjoy.

Equally strategic and synergistic investments in energy infrastructure are essential to reducing northern reliance on costly and high-emitting fossil fuels. With the development of a price on carbon, northern industry requires a viable fuel-switching opportunity. Otherwise, the cost of development will outweigh the benefits, pushing investment further away. At stake is the single largest

territorial economic driver and the largest proportional employer of indigenous Canadians.

In conclusion, trade begins at home. Northern mining companies will be challenged to take advantage of newly created market shares via TPP or any other agreement if they are unable to competitively develop mines and unable to effectively deliver their product to export markets.

In this sense, trade, investment, and economic development in the north are intrinsically linked to addressing the infrastructure deficit. A reliable transportation system and strategic power development need to be viewed by government as key factors in the success of Canada's trade and economic development priorities for the north.

Thank you.

The Chair: Thank you, sir.

We're going to move on to the Yukon now, and we're going to go to the Yukon Federation of Labour.

Go ahead, Vikki.

Ms. Vikki Quocksister (President, Yukon Federation of Labour): Good morning.

I'm Vikki Quocksister, president of the Yukon Federation of Labour. I'd like to thank the council and the committee for allowing us to speak today.

Among the issues that workers in the Yukon have is our concern about the labour mobility clauses within the TPP. We already have situations where there aren't enough good-paying jobs for the workers here, so we're worried that the labour mobility clauses within the TPP will bring in workers from other countries potentially, who don't perhaps have the same kind of training or whatnot, and it would create a subclass of workers here.

We agree that the economy needs to grow and that we have a poor economy at the moment, but the only way to raise the economy is to give workers a decent wage. If we're bringing in workers from other countries, the TPP does not provide ironclad prevention of abuse of that system.

In addition, we're concerned about the labour clause that discusses the unionization of all the countries that are within the TPP. Many of them have different kinds of unionization, and they don't have the same benefits and labour and human rights that we do here in Canada. Again, if those workers were to come to Canada, we're concerned that it might muddy the waters here and involve somehow changing the way we view unionization.

I know that my report is a little shorter than others, but that is my concern for the Yukon itself. Thank you very much for allowing us to submit our comments.

● (1110)

The Chair: Thank you very much. We don't mind. It's all good.

We're going to move over to the Whitehorse Chamber of Commerce.

The two of you are here, so go ahead for five minutes.

Mr. Richard Karp (President, Whitehorse Chamber of Commerce): Thank you.

My name is Rick Karp. I am president of the Whitehorse Chamber of Commerce. Also here is Stan Thompson, who is the CFO for NorthwesTel, where we're being hosted today, and chair of the Whitehorse Chamber of Commerce.

First we'd like to thank the committee for including the north, and in particular the Yukon, in these consultations. Canada's north, as you heard from Brendan Marshall, is unique and has the potential to be a major contributor to any expansion of trade with the Asia-Pacific market. The Yukon's resource development projects, growth in the tourism sector, and the expanding knowledge and innovation in the cold climate research sector are economic enablers for our economy, allowing value-added sectors to develop, create jobs, and compete. Chinese investors have shown interest in the Yukon's resource and tourism sectors and have invested significantly to this date.

The north, including the Yukon, the Northwest Territories, and Nunavut, possesses vast natural resources such as gold, lead, diamonds, and copper, and many valuable resources that are in demand internationally. We have proven tourism potential; continuous innovation in cold climate research, housing, and waste management; and much more. The Yukon has so much to offer, not only to Canada but also to the Asia-Pacific market and indeed the world.

Safe, well-regulated, and responsible natural resource development is one of the defining features of our Yukon Chamber of Mines. The wealth created by natural resources enables provinces, and in particular many of the untapped resources in the Yukon, to potentially serve as net contributors to Canada's national economy in support of vital services such as health care and education. Our inclusion in the TPP process and increased trade with the Asia-Pacific region would lead to furthering the economic and social development of the north.

The lack of adequate infrastructure is the most significant obstacle to mining development here in the north. Inadequate infrastructure has been the primary barrier to developing some of the most promising mineral discoveries. Greater investment in the necessary infrastructure is needed to help relieve the current financial burden of construction costs placed on mining and resource companies and to unlock the vast potential of Canadian northern communities from mineral and oil and gas deposits in the north.

Canada is doing more business with Asia. According to the Conference Board of Canada, Asia makes up 15% of Canada's international trade, up from 10% in 2003. The Conference Board of Canada points out, however, that our imports have increased faster than our exports, and our market share in the region continues to fall. As well, Canada's foreign investment in Asia has dropped compared to G7 peers. Joining the trans-Pacific partnership discussions has started to reverse this trend.

The Asia-Pacific region has many suitors, and Canada will have to work even harder and smarter to remove trade barriers, create a level playing field, and help companies, especially in the north, to navigate and take advantage of new opportunities.

In order for the resource development, tourism, knowledge, and innovation sectors to reach their potential to increase international trade and become net contributors to Canada, we will need to do more than just sign trade agreements.

Canada needs to establish enhanced funding partnerships and innovative funding models with the private sector, all levels of government, and aboriginal peoples to invest in the transportation and energy infrastructure necessary to promote mining sector growth, to market our tourism sector internationally, and to support our knowledge and innovation sectors with the abilities to commercialize their knowledge and products. Canada requires a coordinating entity or a comprehensive funding facility, which is the key to an actionable territorial northern development strategy. That is the way to stimulate regional economic development and sustainably meet the increasing international demand for Canadian goods and services.

● (1115)

It is necessary to work with territorial and aboriginal governments to better coordinate infrastructure spending by aligning infrastructure planning with community and industry needs as well as with other economic development projects.

We believe that Canada should do the following.

One, take a leading role in concluding and implementing the TPP, and in your negotiations consider all that the north has to offer.

Two, assist northern businesses to develop, to help enable them to compete in the marketplace.

Three, empower CanNor to grow and develop northern SMEs by making a clear commitment to an entrenched SINED program not subject to sporadic renewal.

Four, support initiatives by Yukon College to provide education programs geared to the unique needs of the Yukon population.

Five, assist northerners to develop an infrastructure investment program targeted at the development of roads, reliable high-speed communication networks, and other technologies to open up access to resource discoveries north of the 60th parallel.

Six, in support of sustainable tourism, seed self-funding programs that are designed to return economic benefits in excess of their cost to operate.

Thank you.

The Chair: Well, thank you.

We're going to move over to the Northwest Territories now. We have Lois Little, from the Council of Canadians. Go ahead.

Ms. Lois Little (Co-Chair, Northwest Territories Chapter, Council of Canadians): Good morning. Thanks very much for making this opportunity available.

I'm speaking this morning as a northern resident and the co-chair of the NWT chapter of the Council of Canadians. As you may know, the Council of Canadians is an advocate of social and environmental justice, a healthy democracy, and fair trade. The TPP undermines all of those values and must not be ratified. The TPP will constrain governments in areas that have little if anything to do with trade but lots to do with a fair and just society and a healthy democracy.

Here in the NWT, the TPP will undermine hard-fought battles to recognize indigenous rights and title, achieve the equality of all citizens, and honour the interdependence of northerners, the land, and the natural environment.

There can be no equality or justice when the TPP puts corporate rights above the rights of Canadians and above the rights of indigenous nations. There can be no fair trade when foreign companies have more rights to make profit than local or indigenous companies and when buying local is prohibited.

There can be no social or environmental justice when chapter 20 of the TPP offers only vague and mainly unenforceable commitments to environmental protection.

The TPP offers no new environmental standards, but offers the opportunity for corporations to sue governments if new standards are introduced to correct the current general state of environmental lawlessness in Canada and here in the NWT.

Further, there is no hope for policies and legislation that will help us cope with the devastating effects of climate change—which, incidentally, is not mentioned anywhere in the environmental chapter. The absence of recognition of climate change will create even greater injustices, especially here in our fragile northern environment.

There can be no social justice when the TPP can weaken and obstruct the vibrancy of our public health care system. Already at least 23% of Canadians can't afford prescription drugs, but the TPP will extend patents and boost brand name drugs, further burdening our health care system, causing Canadians to pay even higher drug costs and causing more Canadians to suffer because they can't afford prescription drugs.

The TPP will likely quash any hope of a national pharmacare plan that would save Canada about \$11 billion annually. Because there are no carve-out provisions or basic safeguards to guard our health regulations, any legislative change to improve responses to system or demographic needs are vulnerable to investor state challenges.

Lack of public stewardship of our health care has the potential to hit the NWT very hard, as we struggle to find innovations to achieve equitable quality services in all 33 of our communities.

There can be no healthy democracy when the TPP allows corporations to bypass domestic courts and sue us for changes to public policies and public laws that threaten their corporate profits. These compensation lawsuits are adjudicated by largely unaccountable secret tribunals. By ratifying the TPP, parliamentarians and judges might as well shut the doors and go home, because they won't be needed.

The TPP will threaten local economies and local food systems, invade our privacy, increase education costs, and put restrictions on

corporate corporations. All these threats will diminish the quality of life here in the NWT and throughout Canada.

Negotiated in secret with corporate lobbyists, the TPP is a made-in-America corporate rights deal that will cost Canadians and our democracy and our environment dearly. It should not be ratified. Please reject it.

Thank you.

● (1120)

The Chair: Thank you.

Thank you to all the witnesses for your presentations.

We'll move along to dialogue with the MPs. We'll start off with the Conservatives. Mr. Hoback, you have five minutes.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Mr. Chair.

I don't think the sky's falling, so that's a good thing.

Mr. Marshall, I'm going to start with you and probably use most of my time with you and the chamber.

When you look at the mining sector and the TPP and how strong that sector has been here in Canada, what do you see as the TPP's impact on your sector in terms of your competitiveness, your ability to not only be a leader in the world, as you are right now in this sector, but to maintain that leadership role?

Mr. Brendan Marshall: Thanks for the question.

From a general principles standpoint, the mining industry is highly international; it's a global industry. The Canadian mining industry, as a result, is highly internationalized, so if Canada does not move in step with other jurisdictions with respect to liberalized trade, the risk is that our competitiveness can erode across a number of areas.

That may factor in with respect to price tariffs on the import and export of goods. It may result in other regulatory and non-regulatory barriers to trade that can affect the competitiveness of the industry.

The other way to look at this, to flip the question on its head, is to think about the other member states that are party to the TPP. Canada's single largest global competitor from a mining standpoint is Australia. Given Australia's engagement and commitment to the TPP, if Canada does not follow through, not only would we potentially not be able to take advantage of competitiveness factors that the agreement would bring, but reciprocally there might be an erosion in competitiveness, since our principal jurisdiction of competitiveness excels in those respects.

From a two-fold standpoint, that's how we look at what's at stake, whether this agreement gets ratified or not.

•(1125)

Mr. Randy Hoback: You highlighted competitiveness, and I think it's very important that we strive to be competitive, because it's very important. It's not only that the TPP allows you to maintain a level playing field; there are other things that could happen here in Canada that could make you uncompetitive, such as a carbon tax, a lack of infrastructure, or the inability to get your product to market. What impacts will there be on the Canadian industry if we don't get those barriers removed?

Mr. Brendan Marshall: As you framed quite well, competitiveness is a large concept. There are a lot of variables at play. Those factors have different implications for different companies, depending on the realities of their operations.

One of the themes for today is Canada's north, and as both the witnesses from the chamber and I mentioned, one of the principal things that reduces the competitiveness of the industry in the north is the significant infrastructure deficit.

Just to give you a little bit more detail, MAC, with partners from all of the territorial mining chambers and the Prospectors & Developers Association of Canada, undertook a relatively thorough analysis to try to quantify that cost differential. Working with our members, we ascertained that it is two to two and a half times more expensive to build a mine in the north than it is to build a comparable mine in the south, and 70% of that cost differential is directly attributable to the infrastructure deficit.

When you try to factor in some of these competitive challenges with respect to trade, our view fundamentally is that trade begins at home, and if a company cannot reliably operate competitively within Canada and bring their product to market competitively, then some of the benefits that trade agreements have historically brought are difficult to reach. Therefore, while we view making progress from a trade and investment standpoint through the TPP as essential, we also view correspondingly that investments and policies must be made and implemented in Canada to ensure that our domestic competitiveness relative to that of other international jurisdictions is on the same playing field.

Mr. Randy Hoback: You talked about moving in sync. One thing TPP does is to put us in sync with our competitors like Australia, as you said. Australia just got rid of its carbon tax. They just said they didn't want it anymore and they got rid of it. I know that in the farming sector in Saskatchewan, with the carbon tax coming into Saskatchewan when Australia has just gotten rid of it, my farmers are no longer on the same level playing field. Now perhaps Australia will have preferred access with the TPP if we're not there, so we have a disadvantage not only with the carbon tax but also with tariffs that may be in place for Canadian products but not for Australian products.

The Chair: Mr. Hoback, I know you're on a roll, but your time is up. We're going to move over to the Liberal Party and Mr. Dhaliwal for five minutes.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Thank you, Mr. Chair.

Thank you to all of the witnesses.

Mr. Marshall, the Canadian mining industry represents approximately \$160 billion in total, and mining representatives like you and many others tell us that this number will jump if we ratify the TPP. I have also read and heard that it will mean an increased burden on roads, rail, and the ports' capacity to support that. Do you have an estimate of how much money and infrastructure will be needed if we ratify the TPP?

Mr. Brendan Marshall: That's a complex question, but it does link the themes together quite nicely.

At a high level, no, MAC does not have a number with respect to the level of infrastructure that's required to meet demands. For context, our view is that the level of infrastructure relative to the demands that wealth producers in this country require is insufficient. We're already operating at a deficit relative to the ability and the need for companies to meet market demand. As that demand increases and as Canadian companies seek to take advantage of increased market share, the stress on the existing system is likely to increase unless investment follows suit.

•(1130)

Mr. Sukh Dhaliwal: My next question is to Mr. Karp and Mr. Thompson.

How do you expect investment in Yukon or the north to change if the TPP is ratified? For example, do you expect the domestic markets or the investment to be diverted away from the north to Pacific-area international investment? If so, do you expect that the international investment will be able to replace any of the domestic investment lost?

Mr. Stan Thompson (Chair, Whitehorse Chamber of Commerce): That's an interesting question.

The way that we see it is that we have a vibrant economy here already. Mining resources and so on, I think, are competitive in the north, and we understand this market quite well. I do think that opening up the TPP would attract other investors. We've seen some of that from China already, and we're seeing some real interest in the gold sector right now. International players are starting to show up and get involved in the mining sector. That's a relatively new phenomenon, so I think people are starting to see this as a possibility.

That's just one example of the interest in our economy, if we can open up the infrastructure to enable it.

Mr. Richard Karp: As well, if we're getting increased foreign investment coming into Yukon, the TPP has to cover off that they are following Canadian principles in responsible development. Any investment coming into Yukon will benefit us in terms of jobs, social issues, first nations development, and other aspects.

Another aspect here with enticing foreign investment to come in, especially in the resource sector, is YESAB and the water board and making sure that the permitting process is a smooth and even process. Right now it is very lengthy and a detriment to development.

Mr. Sukh Dhaliwal: To Vikki Quocksister, you mentioned that beside labour mobility, you are generally in support of ratifying the TPP. If we just leave that clause aside, would you be able to support that TPP ratification?

Ms. Vikki Quocksister: No. There are other clauses. I was just focusing more on the labour aspect, and of course the Yukon Federation of Labour would do that.

There are other things, such as the investor state provisions, that create a problem. We could become one of the most sued countries in the world.

The Chair: Sorry; your time is up, Mr. Dhaliwal. We're going to move over to the NDP now.

We have Ms. Ramsey. Go ahead.

Ms. Tracey Ramsey (Essex, NDP): Thank you so much. On Persons Day I have to take a moment to say to Mr. Marshall that my great-aunt, Viola MacMillan, was the president of the Prospectors & Developers Association of Canada from 1944 to 1966. She is also an inductee into the Canadian Mining Hall of Fame. I have quite a history with mining in Canada.

I think you highlighted well for us the real issues that exist and the domestic concerns that exist. You're not the first sector to sit in front of us and say that we need some policies here at home before we can access those markets in the way that we anticipate doing. I think you did a great job of highlighting the barriers we have at home that need to be addressed first, in isolation of these agreements.

My question is going to go to Ms. Little. What I'd like to touch upon is something that you mentioned, which was the cost of drugs in the Northwest Territories. Certainly something we've heard over and over at this committee with the trans-Pacific partnership is the concern about the high cost of drugs. I believe we're already number two or three in the world in the OECD for costs. It's a real concern we've heard across this country on our tour.

I wonder if you can speak specifically about the impact of higher drug costs on the people of the Canadian territories.

Ms. Lois Little: Thanks very much for that question.

Yes, Canada has the fourth-highest drug costs per capita among OECD countries. We're struggling here now in the Northwest Territories, and I know the situation is the same in Nunavut. We're trying to stretch health care dollars around 33 communities here and a number of remote communities in Nunavut.

Our systems are really under stress. If we start adding higher drug costs to that, our system is going to break. The TPP and the CETA agreement are putting us into that situation.

We have to be able to step back from this kind of trade arrangement. There are other ways of doing trade that are fair and don't penalize our health and education systems, and that's what we need to be looking at.

• (1135)

Ms. Tracey Ramsey: Vikki, what would be the impact of increased drug costs in Yukon on the people you represent?

Ms. Vikki Quocksister: Yukon is different, because the government pays for a lot of our medication. The unions always

have fairly good drug plans. I'm not sure it's really going to affect the workers within unions as much as it would those who don't have a workplace drug plan.

Ms. Tracey Ramsey: Maybe we'll go back to your concerns about labour mobility for the workers you represent.

I'm curious as to what the job market looks like there. What is the potential for people to find work, first of all, in Yukon, and how would opening up the labour mobility chapter, which has been called the temporary foreign worker program on steroids by those who have presented here, affect those you represent and workers across Yukon?

Ms. Vikki Quocksister: That's a huge issue. I know that the chamber and I won't agree on this aspect, and that's all right.

The temporary foreign worker program and the nominee program have brought in a lot of foreign workers. The problem with that is, obviously, they get sent home sometimes when the programs don't work out.

It also takes jobs away from Yukoners. The first nations here are very concerned about these programs. They want to see more training for their members. They feel that the temporary foreign worker program takes away from their ability to get jobs. If this is in a trade agreement, I'm not sure how the government is going to ensure that the first nations are going to be first to have positions that pay well.

The Chair: You only have a half a minute.

Ms. Tracey Ramsey: Can you speak to the impact of climate change in the north and the fact that this has not been included in this agreement?

Ms. Vikki Quocksister: I delivered mail in the 1990s. I used to do it in temperatures that were at -50° for a month. We haven't seen -40° in years, and if that's not proof of climate change, I don't know what is.

The Chair: Thank you.

We're going to move over to the Liberals. Mr. Peterson, you have five minutes. Go ahead.

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

Thank you, everyone, for contributing to this and providing us with your insight into the trans-Pacific partnership. It is appreciated by those of us on the committee.

Mr. Marshall, you characterized an infrastructure deficit. What types of infrastructure are we talking about? Here in the south we might have a different idea of what infrastructure means. What are the gaps and what are the needs? What would this infrastructure look like if we were able to build it?

Mr. Brendan Marshall: The general principle with infrastructure in the territories is that the deficit increases as you move east. Even though Yukon, relatively speaking, is the most built environment in the territories, it's still at a significant deficit compared to southern jurisdictions. As you move farther east, to give an example, in Nunavut mining companies have built the largest and longest roads in the territory at 100% private expense.

In terms of the type of infrastructure that can facilitate an increase in project competitiveness as well as viability for certain types of projects, we're speaking about trade-enabling infrastructure—roads, ports, airstrips, railways. The reality is that the type of infrastructure is highly contingent on the nature of the project itself, but as a general standpoint, that's the type of infrastructure we would like to see built.

To build off some of the previous questioning in respect to climate change, we would also like to see a viable opportunity for heavy industry in the north, as well as residents in the north, to switch away from diesel. Right now the power infrastructure in the north is insufficient to the extent that the opportunity simply does not exist.

• (1140)

Mr. Kyle Peterson: Thank you for that.

You mentioned the Alaskan model, and I think you referred to it as AIDEA. What is that acronym?

Mr. Brendan Marshall: AIDEA is the Alaska Investment and Development Export Authority.

Mr. Kyle Peterson: Is that funded in part by private corporations in partnership with government?

Mr. Brendan Marshall: No, it was a single capital allocation from the state government, and it was capitalized in 1988, I believe. The institution predates that, but it had a remodelling in 1988 and it was capitalized a few times since.

Over the course of that time, it's remained a profitable institution. That initial \$300-odd million capitalization has grown to a value of \$1.4 billion. AIDEA has the capacity to own and operate infrastructure in Alaska. AIDEA owns both of Alaska's deep-sea ports. It has facilitated project development based on partnerships between industry and first nations communities.

Effectively it's been a transformative social and economic development entity for the state. When you factor in the role AIDEA has played in positively effecting responsible economic development in Alaska and then look at the opportunities that are available in the territories, there is a stark contrast.

I'll give you one example. The first project that AIDEA funded was a lead-zinc mine called Red Dog. It came up with a creative capital financing model to fund a port and a road, so that the project viability of that particular mine could go ahead.

We have a lead-zinc mine in Nunavut called Izok Lake. It also needs a port and a road. It's also a deposit that's been known about for 50 years, but it, to this day, remains undeveloped. Meanwhile, in Alaska at the Red Dog mine, there are multiple billions of dollars of private sector-driven economic development that has resulted in jobs and other indirect and induced economic benefits to the state and beyond.

These types of models are not exclusive to other regions. There is great potential for us to learn from these models and tailor them according to the reality in Canada so that we can start to participate in those benefits as well.

Mr. Kyle Peterson: Is it fair to say that you need not only a trade agreement but also some sort of infrastructure investment to even get into those markets that trade agreements provide?

Mr. Brendan Marshall: That would be our view, and it would vary slightly based on commodity.

As you know, in the north right now there are a number of different commodities that are being produced, but most of them at present are high-value, low-volume commodities, such as diamonds and gold. The reason is that you can carry the product off the site in a briefcase.

You can't bring base metals in the north to market, because there is no road, no port to load the ship, so there is no viability for that whole tranche of lower-value, higher-volume commodities. It is just not feasible to develop a number of those projects right now.

The Chair: Thank you.

We probably have just enough time for two three-minute questions. We're going to go to Madam Lapointe for three minutes, then for three minutes to Mr. Ritz, and that will tie up this section.

Go ahead.

[Translation]

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

Good morning and welcome to the witnesses.

Mr. Marshall, I have a question for you. You have not talked about the workforce. You talked about the infrastructure deficit, but do mining companies have trouble recruiting workers?

Mr. Brendan Marshall: Thank you for your question.

I'm sorry, the earpiece is not working.

• (1145)

[English]

Can you tell me what *main-d'oeuvre* means? Then I think I can answer your question.

Ms. Linda Lapointe: *Main-d'oeuvre* means the people working for you, the workforce.

Mr. Brendan Marshall: Thank you.

Yes, of course, that's another challenging reality for the mining industry in the north. With respect to mining, it's always important to remember that companies need to go where the minerals are located. There's no choice in that regard. Frequently, minerals and metals in the north are located in remote areas. In many cases, there are no communities immediately proximate to the location of the mine, so human resources practice includes fly in and fly out, generally speaking.

That said, companies aspire to hire and employ to the extent possible local employees, whether it's from the territory as a whole or from indigenous communities that surround the sites themselves. For example, many of these types of relationships are agreed to in an impact benefit agreement with local first nations communities or local indigenous communities before the project is built.

One example would be in Nunavut at the Meadowbank gold mine owned and operated by Agnico Eagle. They have a 37% local Inuit workforce and are aspiring to increase that. At their sites in Mexico and Finland, they have mines that are 100% locally operated with 100% local employees, and that's the goal they're setting for themselves with respect to Nunavut. There are comparable percentages across other projects as well.

[Translation]

Ms. Linda Lapointe: That's interesting.

Do you think you could keep up with an increase in the demand, given the workforce and the treaties or agreements with the indigenous people?

[English]

Mr. Brendan Marshall: I want to make sure I understand the question: do I think there's room for improvement with respect to first nations? Yes.

Yes, I do, and the industry believes that as well. The opportunity to increase employment with respect to the first nations demographic or indigenous demographic is real, and it's something that the industry continually pursues.

[Translation]

Ms. Linda Lapointe: Thank you very much.

[English]

The Chair: Thank you, Madam Lapointe.

We're going to move to Mr. Ritz for three minutes.

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

Brendan, to start with you, I'm not sure if you're aware—you probably are—that Chief Darcy Bear of the Whitecap Dakota First Nation just south of Saskatoon actually has a college on site to train first nations people in the intricacies of mining and give them that first step to move into your hiring practices. It is a great resource. He's connecting now with the union of operating engineers to further that as well. There's a lot of work being done by first nations that are pro-trade and that really want to help you move forward. I just wanted to make that point.

To the Yukon Federation of Labour and Ms. Quocksister, you made the comment that you're very concerned about your union being watered down by people coming in for some of these offshore.... Even though they're unionized, it may not be to your standards. I'm not sure how that could happen when you actually do your own certification and the labour chapter within the TPP says that they have to qualify to Canadian levels to come here, so I'm not sure what your point was.

Ms. Vikki Quocksister: A lot of unions and a lot of negotiation happen through what's come before. Take maternity leave and its

history. Maternity leave won by the postal workers has been initiated into other unions to be part of their negotiation practices as well. We're concerned that in the future there might be some sort of a fight to undercut the workers' negotiation practices, and there's always change within that sort of structure.

We're looking at the auto workers in Unifor. Right now, down in Ontario, they're having a whale of a time trying to get decent wages and whatnot and to keep the jobs within Canada. I just feel that these sorts of situations are going to be troublesome in the future.

Hon. Gerry Ritz: I'll just have you reread that labour standards chapter, then.

You also made the comment that you're concerned about a flood of workers coming in who will take jobs away from your folks. I actually wanted to point out that since we've had free trade agreements with Peru, Colombia, and Korea, in 2015—these are the latest numbers we have—we've had a total number of 14 professionals and technicians from Peru. We had 45 from Colombia and a total of 13 from Korea. Do you consider that a flood?

• (1150)

Ms. Vikki Quocksister: The Yukon has 37,000 people, and for the most part, 20,000 of them are looking for jobs, or have a job, or whatnot. We don't have a lot of options here for work, so for us it's a flood.

Hon. Gerry Ritz: The whole point, then, would be Mr. Marshall's point, which was that we need this agreement with like-minded countries in the TPP and others so that we can make these investments that will develop the jobs for Yukon and the territories.

Ms. Vikki Quocksister: I don't know if that would actually develop the jobs for us. I mean, anything is possible. We'll certainly work together as workers to try to make better opportunities for workers and for jobs. I guess the proof is in the pudding.

Hon. Gerry Ritz: Thank you.

The Chair: Thank you, Mr. Ritz.

That wraps up our first session.

We thank our witnesses for presenting to us today. All the information that came back and forth was really beneficial to us. This report will be done at the end of this year or the beginning of next year, and your comments will be in it.

Thank you very much. Good luck this winter up north. Take care.

We're going to suspend right now to get the new witnesses on board.

• (1150)

_____ (Pause) _____

• (1200)

The Chair: Welcome witnesses, via video conference. Thank you for joining us today.

This is a study our trade committee has been doing over the last many months. It deals with the TPP, which is one of the biggest trade agreements that our country is going to embark on. It deals with 40% of the GDP of the world. It's a deal that probably could affect every Canadian and many business people one way or another.

Our committee has done quite a bit of travel throughout all the provinces. We've had many witnesses—stakeholders and individuals—come here to Ottawa. We had open-mike sessions after each town hall meeting. We also have over 20,000 submissions from the public.

We are doing the territories right now. This is our second day. We'll take all this information we're receiving and we'll put our report together later on this year.

I thank the witnesses for coming forward. We have, and hopefully I'm pronouncing it right, the K'at'l'odeeche First Nation, the Nunavut Offshore Allocation Holders Association, and the Public Service Alliance of Canada.

Welcome, everybody. The way we usually do this is each witness gives a presentation for about five minutes on what they think of the trade agreement, and then we open it up for dialogue with the MPs.

We'll start with the K'at'l'odeeche First Nation, and we have Chief Roy Fabian and Peter Redvers. Go ahead for five minutes, folks.

Mr. Peter Redvers (Director, Lands, Resources and Negotiations, K'at'l'odeeche First Nation): Thank you.

It's the K'at'l'odeeche First Nation, and my name is Peter Redvers. Chief Fabian has asked me to give some opening remarks. He may have some comments to add after that, and he is certainly available for questions. We do have a prepared presentation, although it's not ready to be submitted yet.

First of all, the K'at'l'odeeche First Nation is located in the Northwest Territories, south of Great Slave Lake. It is a fairly large traditional territory and is currently in the process of trying to fully implement its rights under Treaty 8, as well as its inherent aboriginal rights. It has never ceded, released, or surrendered control over its traditional territory, either through Treaty 8 or through the establishment of the reserve.

The K'at'l'odeeche First Nation's first concern with respect to the TPP from an indigenous rights perspective, which is the key concern, is the secret negotiation process.

Under Article 19 of the UN Declaration on the Rights of Indigenous Peoples, Canada is required to consult and to obtain the free, prior, and informed consent of indigenous peoples before adopting and implementing legislative or administrative measures that may affect them. Also, under the law in Canada, the duty to consult is triggered and consultation is required when governments are contemplating an action that may infringe rights, not at the eleventh hour. Certainly the TPP could be considered a legislative or administrative measure that has a high potential to affect indigenous peoples.

While Canada claims, or we assume it's claiming, to be consulting first nations and others now that the negotiations are over, that consultation is very weak, and the deal is almost impossible to change now. That's our reading, so this process is clearly an example

of too little too late, both under the UN declaration as well as under the laws of Canada with respect to consultation.

A significant concern, which evolved from the first concern, has to do with the TPP chapter on dispute resolution, which has been identified by many others as having a potentially substantive impact on indigenous peoples.

Like NAFTA, the TPP allows companies to sue a country if they believe the agreement has been violated in a way that affects their interests and their profits. That lawsuit can occur in a potentially private arbitration process under an ad hoc tribunal, and it's referred to as investor state dispute resolution.

When I say a potentially private process, under article 9.24.2, although the tribunal is supposed to be conducting hearings open to the public, it also has the ability to close hearings, particularly to protect proprietary types of information, so the tribunal has the ability to restrict others from participating in it. Obviously the cost of participating in that kind of a process would be prohibitive for most first nations.

In theory, the ISDS is there to protect foreign firms from unfair discrimination; in practice, international corporations have used it to sue countries for all kinds of regulations that are in the public interest. For example, regulations to protect the environment, human health, human rights, labour, intellectual property, or others could be challenged.

KFN has a serious concern that the ISDS provisions in the TPP could give too much power to foreign corporations over the laws and policies within Canada, and in our case particularly in relation to land and resource management decisions. This could have a real impact on first nations, especially in disputes over natural resources and development on the land. We do know that certainly among the key beneficiaries of this TPP are Canadian exporters, particularly in the natural resource sectors. That's oil and gas and mining, clearly.

I point out one clause that's of particular concern, and that is 9.29.10: "Each party shall provide for the enforcement of an award in its territory." This appears to be in the absence of acceptance of any determination by the tribunal and doesn't give much cause for a party, or a country, to challenge that using their own internal laws and jurisdictions.

● (1205)

The Chair: Excuse me. Are you going to let the chief speak?

Mr. Peter Redvers: Yes. I'm just about done here.

The Chair: Okay.

Mr. Peter Redvers: Essentially, the TPP and the ISDS provisions mean that where Canadian laws or policies provide protection for first nations or the environment, they could be challenged. Again, the challenge would be in an ad hoc quasi-judicial tribunal, which is very difficult for first nations to participate in, and the scope of that participation may be limited. If the company wins, Canada certainly would be required to provide compensation, but might be required to amend its approach to land and resource management. Even if the company doesn't win or there are no lawsuits, Canadian governments may feel pressured by the ISDS clause to minimize or reduce regulation.

The United Nations Special Rapporteur on the Rights of Indigenous Peoples, Victoria Tauli-Corpuz, has raised this concern. She says that the TPP grants more rights to transnational firms, often at the expense of indigenous rights. She said the TPP will give more power to companies that want to deal with natural resources on indigenous lands.

We mentioned the concerns about impacts on the natural resource sectors. We know *The Economist* magazine, which is generally a supporter of free trade, has commented that implementation has been disastrous—and that's relating to the ISDS—and that providing special rights and special processes for international corporations to challenge regulations is unnecessary and counterproductive.

What's really key here is that—

• (1210)

The Chair: Excuse me, sir; you're way over time, and I was hoping that the chief would make some comments in your presentation.

Mr. Peter Redvers: Five minutes is a pretty short time to speak to natural resource management.

Chief Fabian, if you want to go ahead, I do have some final comments that I would like to make.

The Chair: Go ahead, sir.

Chief Roy Fabian (Chief, K'at'l'odeeche First Nation): My name is Chief Roy Fabian for the K'at'l'odeeche First Nation.

When I first heard about this TPP, it really concerned me, because I had heard some comments about how these foreign companies can actually change the laws in Canada. Here they feel that those laws are impacting on their profits, so these issues are a big concern for us.

As the K'at'l'odeeche First Nation, we're impacted by the Government of Canada. A lot of times they make laws and stuff like that, and do not take into consideration our rights under the Canadian Constitution. Basically, the way things have been working in Canada is that we have to go to court to prove our rights. Rather than just following the law, rather than being transparent and accountable, Canada prefers to go ahead and do whatever it wants, and expects the first nation to protect its rights through the courts. I think that is not transparent and it's not accountable to Canada. It's not the right way. It's against the law.

Of all people in Canada who should be following the laws of the Canadian Constitution, it is the government. A lot of times, we have already struggled with these issues. Here we're going to have to deal

with a whole bunch of foreign countries that can actually demand that Canada change legislation to allow them to exploit our resources and our traditional territories. This is a big concern for me. I've always been concerned about it, so when this opportunity came up, I insisted that we make a presentation so that you're aware of what our position is on this.

I'm planning to have a meeting of chiefs, and I intend on having the chiefs pass a motion in the Northwest Territories opposing the TPP. I just wanted to say that much.

Mahsi.

The Chair: Thank you for coming to speak with us today.

Mr. Redvers, you had a final comment, sir.

Mr. Peter Redvers: Yes, just to clarify, the concern is that the fiduciary obligation of the crown, whether federal or provincial, depends on the crown being able to exercise its jurisdiction over the lands and resources within KFN's traditional territories and being able to negotiate the co-management of that jurisdiction within that territory.

If the federal government or provincial or territorial governments that hold crown obligations are limited in any way in their ability to manage resources in order to protect treaty or aboriginal rights, then we have a serious problem: the potential infringement of treaty and/or aboriginal rights.

We believe the TPP, and particularly the ISDS clause—the specific one I noted was 9.29.10—sort of captures that. In effect, it diminishes some of Canada's jurisdiction over traditional lands held by KFN, and therefore their ability to fully protect KFN rights and interests.

• (1215)

The Chair: Thank you, sir.

We're going to move to the Public Service Alliance of Canada. We have Jack Bourassa, the regional executive vice-president for the north.

Go ahead, sir.

Mr. Jack Bourassa (Regional Executive Vice-President, North, Public Service Alliance of Canada): Thank you, Mr. Chair and committee members, for the opportunity to offer input on the trans-Pacific partnership agreement.

My comments today will briefly speak to the devastating implications of this so-called free trade agreement. I'm broadly going to touch base on five basic topics: public services, jobs, human rights, state-owned enterprises, and legislative and regulatory authorities.

The TPP impacts public services such as environmental protection, energy provision, intellectual property, education, and child care. It also covers how other services are governed and regulated. These are all considered tradeable commodities. Investor state agreements erode democracy by transferring decision-making from the elected representatives to unaccountable negotiators and arbitrators. They protect multinationals against restrictive trade measures—that is, laws and regulations that are specifically designed to protect important public issues like the environment, health, safety, and financial stability.

With regard to jobs, the TPP will have long-term implications for jobs in Canada's auto and dairy industries.

It will benefit a select few by opening up our auto industry to low-wage competition at the expense of ordinary working families. The auto manufacturing sector will be especially hurt by the TPP, which includes significant reductions in local content requirements for vehicles and automotive parts. With the Canadian auto industry already reeling, it will now be forced to compete with low-wage parts sourced from other countries, which further leads to losses of thousands of good manufacturing jobs.

The impact on Canadian dairy and poultry farms is also of great concern, because the TPP threatens farmers' ability to continue to make a decent living wage while providing good, safe food for Canadians.

As for human rights implications, the investor state agreements will make it far harder to address climate change from a public policy perspective. Indigenous peoples who have been victimized by centuries of colonization and marginalization will be further marginalized as problems around poverty, lack of housing, lack of clean water, and lack of educational opportunities will be forced into more private sector solutions. Public opportunities for local development and training will be viewed as unfair trade barriers and will become market-driven and inaccessible. Social enterprises like Aki Energy, run by first nations in Manitoba, could be challenged as trade barriers. Instances of precarious work and inequality will increase. The more privatization is facilitated, the more the social, health, and cultural services we now take for granted will be sacrificed because a multinational can profit from their provision.

State-owned enterprises play an important role around economic development, regional development, social and cultural enhancement, and infrastructure development. The Canadian federal government has about 45 crown corporations, and they are targeted in the TPP in a way that facilitates their privatization. The negative listing provision makes it very difficult for governments to create new crown corporations or to expand the mandate of existing ones. New state-owned enterprises may be created to meet national or global emergencies, but only in a few specified instances. Rules requiring compliance with the rest of the TPP still apply. Existing privatization approaches, where they exist, are locked in for good.

Strong regulation over both public and private services is crucial for democracy, development, and the public interest. The TPP contains measures that control how public services ought to be governed. These measures restrict the right to legislate and regulate federally, provincially, and locally. Municipal water, municipal

waste, electricity, and public transit are in greater danger of being privatized. Privatized services are more expensive and more arbitrary, and despite the rhetoric of risk transfer, the public still shoulders the risks, as well as long-term unaccountable debt.

In conclusion, for all the reasons outlined so far, we say no to the TPP. Signing this agreement will result in irreparable damage to our democracy, lost battles in ensuring the survival of the planet and the welfare of its human inhabitants, and a deepened and enshrined inequality.

• (1220)

The Chair: Thank you, sir.

We're going to move over to the Nunavut Offshore Allocation Holders Association, and we have Jerry Ward with us, the chairman.

Welcome, sir, and go ahead. You have the floor.

Mr. Jerry Ward (Chairman, Nunavut Offshore Allocation Holders Association): Good afternoon, Mr. Chairman and committee members. I certainly want to thank you for the opportunity to present to you today on this very important issue.

We are, of course, an industry association representing Nunavut fisheries, and we operate out of Iqaluit. Mr. Chairman, it's indeed encouraging to see that we've been given the opportunity to speak to your committee, knowing that you have spoken earlier with representatives from the Atlantic and the west coast and so on.

I'd like to start the presentation by giving you some demographics with regard to Nunavut, so that you can see how difficult it has been developing a fishery. It's a territory of two million square kilometres, with 25 communities and a population of only 35,000. The only mode of transportation is by airplane and during the summer by boat. We have a lack of marine infrastructure. There's nowhere to land our vessels on shore, and for a significant period of the year, of course, the land is covered with snow and the ocean is frozen.

The Inuit up north have been fishing for thousands of years, but it's only in the last 30 years that we've begun to commercialize our industry. We consider ourselves clearly the new kids on the block, but that said, Nunavut's production of seafood product is about \$120 million today. That's not substantial if you compare it with the east and west coast fishing companies and the industry there, but it's an absolutely essential part of the Nunavut economy when you consider that the industry employs some 300 Inuit in various communities. These are isolated communities, so those jobs are very valuable, of course.

Over the last 20 years, we've increased our share of our adjacent resources, going from 19% of our shrimp resources to today some 38%. On the turbot side, we've gone from 27% to 73%, and overall we now have about 50% of the allocations that are fished in our adjacent waters.

The export markets are essential to the Canadian seafood industry. As you've heard from prior speakers, 75% of Canada's exports, and in particular the total production of seafood in Canada, is about \$6 billion. If you look at Nunavut specifically, more than 95% of our fish production is exported internationally, and a significant portion of that is to the countries within the TPP.

Mr. Chairman, as a seafood industry association, we fully support TPP, and we feel this is a good deal for our industry. We support it for a number of reasons, as follows.

First, as I just indicated, we're an export country. We export internationally, and we export more than 95% of our seafood production.

Second, the current tariff rates in TPP countries range anywhere from 4% to 34%, and these tariffs at times put us in a non-competitive position.

Third, countries in the TPP are established markets for seafood and a growing sector of key markets for seafood products overall. The growing middle class in these countries provides a great opportunity for us to sell more of our product.

Fourth, as tariffs change in given markets, then trade flows in other non-TPP countries may benefit us as well. As they pay more and we gain more access to their market, more demand is created for us in other markets.

Mr. Chairman and committee members, as I've indicated, we fully support TPP, and it will over a period of time eliminate tariffs on seafood in these countries. The reduction and elimination of these tariffs will put us on a more level playing field and make us more competitive.

These are my opening remarks, and I look forward to any questions that the committee may have. Thank you.

The Chair: Thank you, Mr. Ward.

I have a question for you. I might have missed it. Mr. Ward, how many fishers do you represent, and is it just for one area?

• (1225)

Mr. Jerry Ward: I should have explained. The Nunavut Offshore Allocation Holders represent the overall fishing industry in Nunavut and all allocation holders in particular.

The Chair: Okay.

Mr. Jerry Ward: We've developed an offshore fishing industry, of course, to the point that today we have six large factory freezer vessels and one modern fish processing plant in Pangnirtung.

The Chair: Thank you, sir.

We probably have enough time for one round with the MPs. We'll start off with the Conservatives.

Mr. Van Kesteren, you have five minutes. Go ahead.

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

Thank you all for being here this morning.

Mr. Ward, those are staggering numbers. Are the fisheries that you represent by and large Canadian-owned?

Mr. Jerry Ward: That's a very good question. I'm glad you asked it. When we started this business, of course we couldn't find, nor did we have access to, vessels ourselves. Initially we did charter a couple of vessels to prove that the fishing was viable. I wish to report today that out of the six large factory freezer vessels, they're all Canadian-owned, sir.

Mr. Dave Van Kesteren: That's excellent. That's good to hear.

One of the things that concerns us as a committee, although it's not our mandate to oversee fisheries, is fish stock. I don't know a whole lot about the fishing industry in the north. I wonder sometimes how much fish can be regularly maintained and how that industry can continue to maintain itself.

How is it? Are you monitoring that well? Have you seen strong fish resources, and is the Canadian government doing a good job of keeping other countries at bay, outside our jurisdiction?

Mr. Jerry Ward: Let me start off by saying that there are no foreign countries fishing in our waters. We operate from the north, between Canada and Greenland, and go off the coast of Newfoundland and Labrador. Sustainability is the key issue for us. It always has been. We are the new kids on the block. We hope we'll learn something from some of the issues that have occurred in the south in particular.

But no, we have a fairly good program in place. We do surveys each year with the support of—and it's normally led by—Fisheries and Oceans. We ourselves contribute significantly to the surveys that are carried out in the north, certainly more as a percentage than anywhere else in the country. We live in the north. We know that the waters are colder and the fish grow slower. To use today's buzzword, we've taken a very "precautionary" approach, and the limits at which we fish are substantially lower than they are in our southern neighbours' jurisdictions specifically.

We feel comfortable that the stocks are in very good shape. We would never do an increase in any quota or allocation without support from the scientific community.

Mr. Dave Van Kesteren: Finally, are the first nations and Inuit people involved in the fishing industry, and if so, in what capacity?

Mr. Jerry Ward: This is a good question. I'll go back 20 years to 2001, with the introduction of new quotas for turbot that came in after Nunavut became a territory in 1999.

We had at that time what we would call token employment, to be quite honest with you, and minimum vessels. We now employ over 300 Inuit in our facilities, both offshore and onshore, and we have six large factory freezer vessels that are held by Nunavut interests.

Our next step, of course, is to move further into the managerial and technical positions. From a training perspective, we've spent about \$20 million to 2005 in training, and probably about \$15 million overall in survey work specifically. This is all guided toward work with the communities, the Government of Nunavut, Nunavut Tunngavik Inc., and the other organizations within Nunavut.

Mr. Dave Van Kesteren: Thank you. That's a great story.

Mr. Bourassa, we thank you for your presentation. Much of what we heard was what we also heard from the unions across the country. I think what we're looking for here is more specific to the territory that you're representing. I'm wondering if you could maybe zero it down to where it will most affect the Northwest Territories and Nunavut.

• (1230)

Mr. Jack Bourassa: Some of the particular concerns have a lot to do with some of the extraction industries that are here. We don't have an issue with the extraction of some of our natural resources in itself, but rather it's the moral implications with some of the ways that things are done.

Just touching, for instance, on fracking, fracking in the north in the permafrost can have some very detrimental effects to our environment and to the social economy of our varying communities. There is a lot of methane that's released with the infrastructure put in place to accommodate fracking. These kinds of things are also very temporary, in and of themselves, and they do interfere a lot with the migration of the different herds that our first nations rely on.

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

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

Go ahead, for five minutes.

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): Good morning. I'm not sure what time it is there. It's actually not morning here either; it's 12:30 p.m.

Thank you so much for your presentations. It's great to hear from the north. I want to start with Mr. Ward.

Mr. Ward, I represent a riding that is deeply involved with seafood production as well as scientific research. Much of the work that's been done in halibut was actually done in my riding at Canada's oldest biological station, so we probably have much in common.

One of the things that I would like to address to all of you is a general question regarding employment. We've heard from past witnesses—and certainly today we hear as well—the concern about temporary foreign workers. We hear very clearly the historic unemployment rates in the north.

I want to read this to you as a form of reassurance, because I felt very reassured listening to this from Kirsten Hillman, the chief negotiator for TPP. We often hear about temporary foreign workers. These are not temporary foreign workers who are being implicated or involved with the TPP agreement. She stated: “Under the TPP,

facilitated access into Canada would be limited to high-skilled business persons who have either invested substantial capital, or who have pre-arranged contracts or employment offers in Canada.” They are temporary entrants. They're not temporary foreign workers.

Mr. Ward, you mentioned that you have about 300 Nunavut members, citizens, who are employed in the fisheries sector and six Canadian fleets.

This morning Mr. Marshall, from the mining association, said that one-sixth of jobs in the north are involved in the mining sector. What would happen to the north if, in fact, Canada did not ratify, when many of our competitors internationally did? What might happen work-wise and employment-wise in the north?

Mr. Jerry Ward: From the perspective of the two species that we focus on, those being shrimp and Greenland halibut—in this case turbot—it's very important for us that the TPP be ratified. If it is not ratified, then it may cause us some problems because of the high tariff rates and so on. If it isn't ratified, then we'd strongly urge that Canada enter into bilateral agreements with these countries specifically, especially with regard to Japan and Vietnam in particular.

Ms. Karen Ludwig: Okay. Thank you.

Mr. Jerry Ward: To sum it up, certainly we would not lose any particular jobs. It means that we would perhaps have to get a little better at doing our marketing and finding new markets and so on.

Ms. Karen Ludwig: I would like to hear from the first nations as well.

In terms of employment opportunities involved with trade, were you consulted under the previous negotiations for TPP?

Mr. Peter Redvers: Chief Fabian, can I respond to that?

• (1235)

Chief Roy Fabian: Yes, go ahead, Peter.

Mr. Peter Redvers: Thank you.

In terms of the K'atl'odeeche First Nation, this is the first consultation that has occurred. We have been standing on the sidelines, along with many other first nations, simply watching the process unfold and negotiations take place outside of any control or input that we might have had. As I mentioned earlier, being consulted on an agreement that the Prime Minister has already signed off on, even though it hasn't been ratified through Parliament, is a little late in the game.

If you are looking for the specifics on employment, when we start looking at this particular area.... As an example, if you want to talk fishing, K'atl'odeeche First Nation is right next to a very large lake that currently has a large, sustainable harvest. KFN is looking at getting into that industry.

We certainly don't deny, by any stretch of the imagination, that exporters like Mr. Ward and the Nunavut Offshore Allocation Holders Association are going to benefit. In fact, all research shows that the beneficiaries of the TPP, of this kind of agreement, are generally natural resource exporters.

There are two things that are being talked about here. One is a trade agreement, and the other is an investor protection agreement. The two seem to get muddled in some ways. You can still carry out trade and you can have a reduction in tariffs and those kinds of things that support what Mr. Ward is doing and may, in the long run, support the K'atl'odeeche First Nation, if it was to get seriously into the fishing industry relating to Great Slave Lake, but does that trade require the type of investor state protection agreement that is put in place under chapter 9? It gets beyond the definition of trade, and now we are actually into protecting investor rights over national rights.

Again, our key concern—and why we spoke to chapter 9 and not some of the other issues—is not a specific disagreement with the notion of trade and the ability to expand that. The key issue is losing control of the terms and conditions. It appears, through the investor state dispute resolution process in chapter 9, that there are clauses and portions of this agreement that really, as I noted earlier, take away the final and full ability of Canada to exercise its authority, in particular its authority under the Constitution in relation to aboriginal people. It hands over some of that control and some of that jurisdiction to these quasi-judicial ad hoc tribunals.

When we move away from the fishery and start moving into natural resource extraction—oil and gas, mining—first nations will not be key players in that, although they may be partners.

The Chair: Thank you, sir.

It's well over time. We are going to move over to the NDP. Ms. Ramsey, you have the floor.

Ms. Tracey Ramsey: Thank you very much.

I'd like to direct my questions to Chief Fabian and Mr. Redvers. We've heard so little from aboriginal people at this table and we've heard, over and over, that they haven't been consulted, whether by the previous government or the current government.

We had National Chief Perry Bellegarde before the committee earlier this year. I'm going to read a quote, and I'm going to ask for your thoughts on this. He said:

The current approach to the TPP is not consistent with the government's commitment to rights recognition, respect, co-operation, and partnership.

Chief Fabian, I wonder whether you can speak to that, and whether you feel that your rights have been respected in the negotiation and the ongoing consultations on the trans-Pacific partnership.

Chief Roy Fabian: Thank you.

This whole process of trade is something that for us is a little bit difficult to follow and to understand, considering that we're new at this kind of thing. We played a big role in the history of the fur trade. We transferred 400 years of wealth in fur to other parts of the world, especially Europe. Trade takes a little bit of an understanding, but

when it comes to these kinds of renewable resources and issues like that, it is a big concern.

Canada is talking about reconciliation with first nations because of the lack of respect for first nations and how we're treated by the rest of Canada and how we're marginalized as a people. When you talk about these kinds of economies and jobs and things like that, it sure would be nice to have our people working. It would be nice to have a proper education so that our people can work.

At one time, as first nations, we had the capacity to be able to live independently and we were self-reliant. It's now to the point where we're no longer independent and we're no longer self-reliant, and this is a big issue for me. When we talk about these kinds of issues, it's about us and how we participate in the world today. Then all of a sudden along come these kinds of situations where other countries and corporations' rights are over and above our rights.

If reconciliation is going to take place between first nations and Canada, these issues need to be dealt with in a good way, so that our people can feel comfortable that our rights are not going to be infringed on to try to fulfill the trade obligations that Canada might have with other countries.

It is a big concern, and sometimes a little bit difficult to understand.

• (1240)

Ms. Tracey Ramsey: Chief, I couldn't agree more.

I have one last quick question for you.

When National Chief Bellegarde was here, he called on Global Affairs Canada to immediately conduct and share with all first nations an analysis of all potential impacts of the TPP on first nations' self-governance.

My question is this: have you received anything from Global Affairs to indicate to you how it would impact your community?

Chief Roy Fabian: Not that I'm aware of. All communications come to me first before I forward them on to my staff and to the other people to respond to these things, and I haven't seen anything from that department you're talking about.

Ms. Tracey Ramsey: Thank you.

Mr. Peter Redvers: Just to add to that, I'm the director of lands, resources, and negotiations, and no, we haven't received any, and we certainly haven't had the resources to be able to do that kind of analysis on our own.

Ms. Tracey Ramsey: Thank you.

The Chair: You're out of time there.

We're going to move over to the Liberals.

Mr. Fonseca, you have the floor. Go ahead, sir.

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

I want to thank all the witnesses for their remarks and for being very open about how they feel about the TPP. This is a huge agreement that we would be signing onto if it were ratified, and as the chair mentioned, it would impact every Canadian in some way directly or indirectly.

A year ago tomorrow, this country chose a different government, a Justin Trudeau Liberal government. I know from knocking on doors in southern Ontario that one of the reasons they wanted that change for our country was to change from a previous regime, the Harper regime, which was very secretive in terms of how it conducted its government. We also found this in the territories. In the Northwest Territories, all the members there who represent the people of the Northwest Territories are Liberal. At people's doors, I heard that people wanted to know, they wanted to be consulted with, and we made a clear commitment to consult. The first thing that we as this international trade committee did was to get on the road and to consult from coast to coast with Canadians, with all stakeholders, to make sure that everybody had a clear understanding of what the TPP was all about. Before October 19 of last year, people were really in the dark. They had no clue what the TPP's impacts would be. We heard from all of you today that you were not consulted by the previous government.

The ISDS came up a number of times within your comments. If you had the ability to change the ISDS, would that also allow for your thoughts on the TPP to change, and would you see that as an agreement that could work for Canada? Any one of you can answer.

• (1245)

Mr. Peter Redvers: Thank you.

That's a very broad statement. To go back to the consultation, there are small-c and capital-C consultations. There were certainly no section 35 consultations, and even this committee is not really fulfilling that obligation. It's fulfilling a public consultation process. You need to understand that the duty to consult should certainly have arisen much earlier, particularly where there is a potential for infringement, .

Certainly we don't have the resources and haven't had the resources to do a full and complete analysis of the TPP. We just simply don't have those resources. We focused in on the ISDS because it's the one that we believe could drive a wedge between Canada and first nations with respect to the notion of true reconciliation, which was also one of the key promises of the Liberal government and one of the reasons they did get some support among first nations.

If this agreement, and particularly that chapter, limits in any way the ability or fetters in any way the ability of the Canadian government to exercise its full constitutional obligations, then that's a really significant problem, particularly with respect to exploitation of natural resources within first nations traditional territories, so yes, that needs to be looked at very carefully. There really needs to be absolute certainty that there's no fettering of the ability of the Canadian government to fulfill its constitutional obligations to protect treaty and aboriginal rights, and that clarity is not there at this point in time.

As for some of the other clauses relating to either the environment or local contracting and the ability to protect jobs through

preferential kinds of treatments—and in the case of the fishing industry, to be able to develop subsidies—those also need to be examined.

Mr. Peter Fonseca: Thank you, Mr. Redvers.

I heard Chief Fabian say that he was very proud of the fur trade and the legacy of trading with indigenous peoples, and we are a trading nation.

Mr. Bourassa, you mentioned the auto sector and how it may be impacted. As you know, even within auto, 90% of everything that is produced here in Canada is traded to other nations around the world, so all of those cars are being shipped all over the world. I wanted to ask—

The Chair: Sorry. Don't throw a question in now. You have five seconds left.

Mr. Peter Fonseca: —whether you are amendable to any trade deals.

The Chair: Give us a quick answer, please.

Mr. Jack Bourassa: Trade deals in and of themselves are fine, but only trade deals that are negotiated between governments, not trade deals that have been initiated by corporate CEOs and lobbyists.

The Chair: We have two three-minute slots left.

Madam Lapointe, you're going to ask questions for the Liberals for three minutes. Go ahead.

[*Translation*]

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

Good afternoon and welcome to the witnesses.

I had a question for a witness, but he seems to have left.

Mr. Ward, in terms of economic development, you talked at length about seafood tariff rates. You said that this would remove the tariffs for Vietnam and Japan and that you have tremendous opportunities.

Do you also have an infrastructure deficit, as in the case of the Northwest Territories? What type of infrastructure would you need to sustain your economy and sell your products?

[*English*]

Mr. Jerry Ward: That's a very good question. I could take the rest of the afternoon, if we had time. Clearly, for a resource-based industry and the fishery in particular, despite having two million square kilometres and 40% of Canada's coastline, we have no docking facilities whatsoever for any of our fishing vessels, from a small 30-foot boat to a 67- to 70-metre modern factory freezer trawler.

That's absolutely essential if we want to develop the inshore fishery within Nunavut. It would obviously mean a substantial number of jobs, because it would employ more people within the community and so on.

The first item would be with regard to dockside facilities and marine infrastructure in particular. The other, of course, would be with regard to the vessels themselves, and the ability to repair vessels and so on.

• (1250)

[Translation]

Ms. Linda Lapointe: Thank you.

If there were a port or a designated space for your boats, what would that mean in terms of the number of workers or additional jobs in your region?

[English]

Mr. Jerry Ward: The products that we produce, as I indicated earlier, are shrimp and turbot. We can certainly sell them all today because they're in great demand, and worldwide supply is down, of course. If we had more infrastructure, it would provide more high-paying jobs for Inuit in some of these isolated communities, who simply don't have work anywhere today.

In Nunavut, in communities with 25%, 30%, or 35% unemployment, a small plant hiring 50 people would probably employ half of the 25% to 50% of the employable population in that community. If infrastructure provided the ability to ship the product out, obviously more jobs would be created, and more high-paying jobs specifically.

[Translation]

Ms. Linda Lapointe: Thank you very much. That's very interesting.

Thank you, everyone.

[English]

The Chair: Thank you, Madam Lapointe.

We just have three minutes left, and Mr. Ritz, you have the last three minutes.

Hon. Gerry Ritz: Gentlemen, thank you for your presentations today. I'm going to use my time to move a motion here, and I would like to read it into the record:

That, pursuant to Standing Order 108(2), the Standing Committee on International Trade conduct a pre-budget study on the effects that the recently announced, Liberal Government carbon tax would have on Canada's trade competitiveness, given that exporters in other countries, including but not limited to the United States and Australia, are not subject to the additional costs of a carbon pricing scheme; that this study be comprised of no less than four meetings to be held at the committee's earliest convenience; that departmental officials, including André Downs, Director General and Chief Economist, from Global Affairs Canada and Environment and Climate Change Canada be in attendance for at least one meeting; that the committee report its findings to the house no later than February 15, 2017.

The Chair: Before we have discussion on this motion, I think we should thank the witnesses.

Thank you very much, folks, for coming to us today. We're just tidying up some legal stuff here. Thank you very much for your presentations.

We are going to be continuing on with this report until the end of the year, and hopefully by then, or by the first of next year, we will present it to Parliament. Your input is very important and it will be part of our report.

Thank you again, and have a good winter.

Mr. Randy Hoback: I have a point of order, Mr. Chair.

The Chair: Go ahead.

Mr. Randy Hoback: I would like to see a recorded vote. If we go in camera, then of course we can't have a recorded vote, or the recorded vote is not valid for something else, so I would move that we actually have a recorded vote before we even consider going in camera.

Mr. Kyle Peterson: Are you requesting a recorded vote on going in camera?

Mr. Randy Hoback: No, I mean a recorded vote on the motion itself.

Mr. Kyle Peterson: We don't want to vote on it unless we're in camera.

Some hon. members: Why not?

Mr. Sukh Dhaliwal: It can be open. The clerk can explain, instead of just going back and forth. Let him explain. Then we don't need to....

Ms. Tracey Ramsay: Why not have the vote?

The Clerk of the Committee (Mr. Rémi Bourgault): I just want to make sure I give you the right explanation. The question is to know if a vote done in camera will be available publicly or not at all. Am I far off?

Mr. Sukh Dhaliwal: There are two questions. Number one, can this motion be in camera or not in camera? We are in committee right now.

The Clerk: Yes, it's before the committee, and we are in public.

Mr. Sukh Dhaliwal: First of all, the motion can go in public. Is that right?

The Clerk: Yes.

Mr. Sukh Dhaliwal: Okay, that's good. That's fine.

The Chair: Is there any more comment on this motion?

Mr. Dave Van Kesteren: Mr. Chair, I wonder if we can have a friendly amendment and just add "due to the fact that during the last election the Liberals didn't go door to door and tell people that they were going to have a carbon tax". Maybe we could add that to it. Mr. Fonseca would probably like to see that in the motion as well.

• (1255)

The Chair: All right. There's an amendment to your friend's motion. I don't know how that's all going to roll.

Anyway, is there further discussion?

Go ahead, Mr. Peterson.

Mr. Kyle Peterson: I'm going to move that we go in camera, given the nature of this motion.

Mr. Randy Hoback: I have a point of order, Mr. Chair.

The Chair: Go ahead, Mr. Hoback.

Mr. Randy Hoback: Again it comes back to the fact that I'm not sure why we're going in camera. This has already been read into the record. It's something that you've talked about. Why would the committee of the Liberals be scared of talking about this in public, and why would they be scared of not showing their hands and votes in public?

Mr. Sukh Dhaliwal: We are not.

Mr. Kyle Peterson: Anyway, I've made the motion.

The Chair: There's a motion on the floor that we go in camera. All in favour?

An hon. member: My motion takes precedence, Mr. Chair. You have to deal with the motion first.

The Chair: No, you can go in camera at any time.

Mr. Sukh Dhaliwal: Let the clerk explain all the...

The Chair: That's what I thought.

Go ahead.

The Clerk: This is a dilatory motion that goes above the motion that is currently on the floor, and it's not debatable.

The Chair: Okay, we're going in camera.

(Motion agreed to [See *Minutes of Proceedings*])

[*Proceedings continue in camera*]

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