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Chair: The Honourable Judy A. Sgro



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• (1105)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): Good Monday morning to everyone.

Pursuant to the order of reference of Monday, February 1, 2021, we continue our study of Bill C-18, an act to implement the agreement on trade continuity between Canada and the United Kingdom of Great Britain and Northern Ireland.

Today's meeting is being televised, and is taking place in a hybrid format pursuant to the House order of January 25, 2021. I would like to take the opportunity to remind all participants that screenshots or taking photos of your screen are not permitted. To ensure an orderly meeting, I need to outline a few of the rules that I know you've heard before.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on your microphone icon to unmute yourself. When you are not speaking, your mike should be on mute. As a reminder, all comments by members and witnesses should be addressed through the chair.

My apologies for last Friday, and not being able to get our meeting started when we had our witnesses there, but we're very pleased that you are able to be with us today.

We have Minister Ng, Minister of Small Business, Export Promotion and International Trade.

As witnesses with her, we have, from the Department of Foreign Affairs, Trade and Development, Doug Forsyth, director general for market access and chief negotiator, Canada-United Kingdom trade continuity agreement—someone who's well-known to all of the committee. We also have Allison Trenholm, deputy chief negotiator, Canada-United Kingdom trade continuity agreement; and Torsten Ström, general counsel, trade law bureau.

From the Department of Agriculture and Agri-Food, we have Aaron Fowler, chief agriculture negotiator and director general, trade agreements and negotiations.

Welcome to all of you. Thank you for rearranging your schedules from last Friday to be with us today. We appreciate it very much.

We move on to Minister Ng for your opening statement, please.

[Translation]

Hon. Mary Ng (Minister of Small Business, Export Promotion and International Trade): Thank you, Madam Chair.

[English]

Honourable members, thank you for giving me the opportunity to appear once again before the House Standing Committee on International Trade to speak on behalf of Bill C-18, an act to implement the trade continuity agreement, TCA, between Canada and the United Kingdom.

For Canada, international trade is central to our economic success and prosperity, and there is no doubt that trade will play a crucial role in our inclusive and sustainable recovery from COVID-19. This is why it is important for Canada not only to develop new trading relationships, but also to strengthen existing ties.

The U.K. is our largest trade market in Europe, and in 2019, it was the third-largest destination for Canadian merchandise exports worldwide. It is also a key source of innovation, science and technology partnerships. Two-way merchandise trade between Canada and the U.K. totalled \$29 billion in 2019, making it our fifth-largest international partner. The U.K. is also Canada's second-largest services trade partner, behind only the United States, amounting to exports of nearly \$7.1 billion last year. The U.K. is Canada's fourth-largest source of foreign direct investment, valued at \$62.3 billion in 2019.

It is clear that our trade continuity agreement with the United Kingdom is critical to Canadian jobs by preserving a key enabler to our strong economic partnership—and that is CETA. The trade continuity agreement before you today ensures Canada and the U.K. can sustain and build upon our trade relationships by preserving the main benefits of CETA. As this agreement is based on CETA, a trade agreement Canadians are already familiar with, it will provide continuity, predictability and stability for Canadian businesses, exporters, workers and consumers. This is more important than ever as we all grapple with COVID-19.

Once the agreement is fully implemented it will carry forward CETA's tariff elimination on 99% of Canadian products exported to the U.K. It will fully protect Canadian producers of all supply-managed products and maintain our priority market access for Canadian service suppliers, including access to the U.K. government's procurement market, which is estimated to be worth approximately \$118 billion annually. It will uphold and preserve CETA's high standard provisions on labour, the protection of the environment and dispute settlement.

At the same time, while this agreement is largely a replication of CETA, it provides no new market access for dairy or any other supply-managed products. This outcome fulfills the commitment made by our government, the Prime Minister and the Minister of Agriculture and Agri-Food to not concede any additional market access for supply-managed sectors in the trade agreements this government signs on to.

When it comes to the U.K., we have a particularly special connection and enjoy a robust trade and investment relationship. Canada and the U.K. enjoy a deep and historic relationship, and both sides are keen to work together to maintain our strong trading relationship post-Brexit to ensure stability and continuity for our businesses.

When the United Kingdom held a referendum and, guided by the decision of its citizens, decided to leave the European Union, that decision not only affected the U.K.'s trade and economic relations with its largest partner, but it also meant that the United Kingdom can no longer be a party to CETA with Canada. Obviously, this had the potential to affect Canadian companies, especially if the U.K. chose to re-evaluate its trade priorities.

[*Translation*]

That's why this trade continuity agreement is so important.

[*English*]

Canadian businesses and workers in many sectors rely on our interconnected trade relationship, from farmers to fish harvesters to innovators. They have told us that what they want the most at this time is stability. This agreement provides exactly that.

The TCA ensures that Canada and the U.K. can both sustain and build upon our important relationship by preserving the benefits of CETA on a bilateral basis, fully protecting our closely integrated supply chains.

Madam Chair, this continuity agreement is good for workers and for businesses. It's good for both Canada and the United Kingdom. Without the TCA in place, Canadian businesses would have faced the uncertainty of new barriers and higher costs of doing business, particularly our agriculture, fish and seafood industries. With this agreement we can build a better future for both countries.

The TCA includes a commitment for subsequent negotiations to begin within a year of this agreement coming into force. My U.K. counterpart, Secretary Truss, and I have publicly committed to these negotiations.

We will, of course, seek the input of Canadians on their interest in a new bilateral discussion with the United Kingdom. I am look-

ing forward to hearing from Canadians from coast to coast to coast through public consultations. I'm looking forward to working towards a high-quality, modern and comprehensive agreement that includes ambitious chapters on the environment, women's economic empowerment, labour and digital trade.

To those who have pointed out areas where improvements are sorely needed, we hear you. I am eager to get to work on those issues. We will return to this House when we are ready to table negotiating objectives for this new ambitious effort.

Right now, while we work to ratify this agreement both in Canada and the United Kingdom, we have signed a memorandum of understanding between both countries so that trade can continue to flow while the agreement makes its way through domestic approvals.

• (1110)

[*Translation*]

The TCA will provide stability and will remain in place until a new agreement, which we aim to reach within three years, is ready.

[*English*]

To sum up, Madam Chair, this trade continuity agreement is like no other trade agreement Canada has negotiated. We've heard from Canadian businesses and industries, as well as provinces and territories, about the importance of maintaining a preferential trading relationship with the United Kingdom. The successful ratification of Bill C-18 will go a long way to minimizing disruptions for Canadian businesses at this critical time.

Throughout the ratification process, and once this agreement is in place, Canada will continue to support Canadian companies doing business with and in the U.K. and the EU through what I call a "team Canada" approach to trade.

This is critical to Canada's economic recovery and future prosperity. As we look to turn the corner and build back better, it will be even more important that we continue to provide Canadian businesses with as many options and opportunities as possible.

This agreement maintains crucial ties and preferential trade terms with one of Canada's key trade partners. It ensures that Canadian businesses do not face yet another disruption or challenge at this time. Indeed, if this agreement were not in place, it would be another setback that Canadian businesses cannot afford.

This is why I urge all members to consider the benefits of the TCA and of maintaining preferential trade with a key partner, and show their support for Canadian businesses and our exporters.

[*Translation*]

Madam Chair, let me conclude by saying that the trade continuity agreement with the United Kingdom is good for Canadians, good for the people of the United Kingdom, and good for the strong, mutually beneficial relationship that our nations have built over the past 150 years.

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): I have a point of order, Madam Chair. There isn't any interpretation right now.

[*English*]

The Chair: I'm sorry, Minister, could you just hold on for one second? I'm sorry.

Mr. Savard-Tremblay, was there a problem with the translation?

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: No, it's in French.

Wait, I think that it's because I disabled the original language. Sorry about that.

[*English*]

The Chair: All right.

I'm sorry, Minister.

Hon. Mary Ng: It could be my French, Monsieur Savard-Tremblay.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Your French is very good. Don't worry.

Hon. Mary Ng: Thank you.

[*English*]

Madam Chair, may I just conclude?

The Chair: Please do.

Hon. Mary Ng: Okay.

While CETA will continue to govern Canada-EU trade, this continuity agreement will provide predictability and remove uncertainty for Canadian businesses doing business with and in the U.K.

I'm thrilled to have the support of Canadian business and industry for the quick ratification of Bill C-18. These are organizations such as the Business Council of Canada, the Canadian Agri-Food Trade Alliance, the Canadian Chamber of Commerce, the Canadian Federation of Independent Business, the Canadian Manufacturers & Exporters, and the Canadian Association of Importers and Exporters.

When it comes to the critical nature of Bill C-18, I would like to quote the shared statement from these businesses directly:

...we ask all parties to support the ratification of the Trade Continuity Agreement by quickly passing Bill C-18. Doing so would protect thousands of Canadian jobs and provide stability and certainty for workers, employers and investors. Without an agreement, \$2 billion worth of bilateral trade will be at risk.

I look forward to working with all of my colleagues on all sides of the House to ensure a smooth continuity of Canada-U.K. trade relations and, in the near future, working toward further deepening this important trade relationship for the benefit of all Canadians.

Thank you. I look forward to your questions and our discussion.

• (1115)

The Chair: Thank you very much, Minister. We appreciate that.

We will now go to questions.

Mr. Aboultaif, you have six minutes, sir.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Good morning to all.

Thanks, Minister, for appearing today.

A memorandum of understanding, MOU, is not a legally binding agreement. It is used between parties where they cannot apply a legal commitment in situations where they cannot reach or create a legally enforceable agreement. What we have in front of us you call a TCA. It's an MOU. Were you able to achieve any kind of commitment, a legally binding one, on the agreement that we have in front of us here in order to be able to secure a full agreement in three years?

Hon. Mary Ng: The legally binding agreement will be the ratification of this trade continuity agreement, which I am looking forward to all of us as parliamentarians working on on behalf of Canadian businesses and exporters. The agreement, of course, does include a commitment for both sides to return to the negotiating table upon a year of this agreement's ratification and coming into force. I look forward to doing that. I certainly look forward to speaking to Canadians. Our commitment is to arrive at concluding those agreements within a three-year time frame. That is our commitment. We're looking forward to doing this work with Canadians.

Mr. Ziad Aboultaif: If I understand correctly, the ratification of this agreement on our side and on the United Kingdom side is the legal, binding term. Is that correct?

Hon. Mary Ng: The coming into force of the trade continuity agreement would mean that Canadian businesses would continue to enjoy the high standards that are the provisions in CETA, whether they are environmental standards or labour standards or opportunities for our businesses to get access to that market.

Mr. Ziad Aboultaif: We are looking for the security. Where is the security in that?

Hon. Mary Ng: Well, this agreement, my honourable member, replicates the CETA agreement with the U.K. leaving the European Union. The ratification of this agreement is something that I am looking forward to working with everyone on so that those provisions for CETA continue on a bilateral basis with the United Kingdom with the ratification and the passage of this important piece of legislation in our Parliament.

Mr. Ziad Aboultaif: CETA is a comprehensive agreement. This is a memorandum of understanding. Don't you see any difference between the two?

Hon. Mary Ng: A memorandum of understanding that we have negotiated with the United Kingdom ensures that trade will flow continuously and without disruption in paperwork. It's really important that the trade continuity agreement that is before us today and that has been through Parliament and that continues to work through the legislative process gets the ratification from all of the work that you and all of us are doing to ensure that the provisions of CETA will continue on a bilateral basis between Canada and the U.K. We are looking forward to getting back to the negotiated agreement so that we can pursue a new negotiation with the United Kingdom on a more ambitious comprehensive agreement after we've had an opportunity to also speak to Canadians.

Mr. Ziad Aboultaif: Well, the flow of business, the continuity of business, is going to be subject to how much security you have, how much of a term you have on this agreement.

We're going to have live with it for four years: one year—this year—to be able to come back to the table, and then three years after that to be implemented or to be in place. Am I correct on the time here?

Hon. Mary Ng: Let me clarify. The trade continuity agreement between Canada and the United Kingdom preserves the terms of CETA so that Canada and the United Kingdom have a bilateral agreement on the basis of CETA. A memorandum of understanding was signed between the two countries to ensure that when the United Kingdom left the European Union on January 1, the benefits of that agreement would continue without disruption for Canadian businesses and the businesses in the United Kingdom.

• (1120)

Mr. Ziad Aboultaif: Would you be able to refer me to any page or an article in the MOU that explains that?

Hon. Mary Ng: I am happy to have officials provide you with that information.

As a point of clarification, again, we are working on the—I hope—continued speedy passage of Bill C-18, which is the legislation that will give into force the continuity agreement between Canada and the U.K. so that the provisions of CETA continue.

Let me just remind you of some of the benefits of CETA over the last two years of CETA's entry into force. Canadian merchandise exports to the EU, including the U.K., averaged \$46.6 billion in 2018. That was up 16.6% compared to pre-CETA levels.

This agreement is really important to Canadian businesses and exporters. We're looking forward to working with members on all sides of the House, so that we can all ensure that Canadian businesses and exporters continue to have the benefits of this important agreement.

The Chair: Thank you, Minister.

We will go on to Mr. Arya for six minutes.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Madam Chair.

Minister, welcome to the committee.

Last year, leading to Brexit, there was a concern. Most of the goods that are exported from Canada to the U.K.—the goods that land in the U.K.—have their final destination elsewhere in Europe. There was a concern that with Brexit, having a separate CETA, and now with the U.K. and different agreements....

Have you heard from any Canadian companies that have faced any logistical problems in moving their goods after they are landed in U.K. and to other destinations in Europe?

Hon. Mary Ng: I have not heard this directly from Canadian companies.

What I would say is that with the recent changes in the U.K., particularly following Brexit, our trade commissioners who operate in the U.K., in London and certainly elsewhere in the United Kingdom, but also throughout the European Union, are working very closely with Canadian exporters to mitigate any challenges and difficulties they may encounter. We have not heard directly from [*Technical difficulty—Editor*] orders to date, but I can assure you that in preparation for this [*Technical difficulty—Editor*] in continuing practice, our trade commissioners on the ground will continue to do top-rate service for our Canadian exporters, to make sure they are exporting with expediency and without issues so that we can keep our supply chains open. Of course, this work also continues with the European Union.

Keeping supply chains open, particularly during this time of COVID-19, has been something that our government has been very steadfast in doing.

Mr. Chandra Arya: For Canadian companies that are part of the supply chain in a region like Europe, there will be a lot of back and forth in the movement of goods. When the U.K. was part of the European Union, that was not any issue at all—goods moving back and forth as part of the supply chain.

With this new situation, have you heard any concerns from any Canadian companies that have operations in the EU that are part of the supply chain? Are there any problems in the movement of goods and services or with the increase in paperwork that may be required?

Hon. Mary Ng: No, we have not. In fact, I think this speaks very highly to the excellent network of the trade commissioner service, whose sole mandate is to assist and support Canadian exporters and businesses that are operating abroad, in this case in the United Kingdom and in the European Union. Of course, the memorandum of understanding that we signed between Canada and the U.K. commits to no additional paperwork for our Canadian exporters who are exporting to the United Kingdom, and that trade continue to flow freely.

We continue to ensure that our commissioners on the ground and our officials who are on the ground in our missions, both in the EU and the U.K., are working collaboratively, and certainly very much hands-on with Canadian companies to ensure that they are able to export, and that they are working with them to mitigate any issues that would be encountered.

However, no, I have not heard of it, but I would also say that the trade commissioner service is doing an exceptional job of supporting our Canadian exporters and businesses.

• (1125)

Mr. Chandra Arya: Since the birth of our country, we've had a very strong relationship with the U.K. I think this is the longest-standing partnership, relationship, that we've all seen. I'm glad you mentioned in your speech further deepening our relationship with the U.K.

The U.K. has its own strengths that are different from those of the European Union. Are there any areas you can foresee that, when you start negotiating for a new agreement, you will focus on that can further increase the already good trade for both goods and services between the U.K. and Canada?

Hon. Mary Ng: Canada and the United Kingdom have a shared set of values and a long history, a special relationship between the two countries. Of course, what I'm really looking forward to is listening to Canadians and getting the input from Canadians, from workers, from exporters, from businesses, on what they are looking for in a new trade agreement with the United Kingdom. Even in our early conversations between the trade secretary and myself, we've been looking forward to getting back to the negotiating table once this agreement is ratified.

We are looking forward to a discussion on a comprehensive, ambitious and inclusive economic partnership with the United Kingdom, one that has high standards on labour, high standards for protecting the environment, a focus on helping small businesses and women entrepreneurs getting into our respective markets, and pursuing digital trade as an area where I think both countries see opportunities. Of course, there will be conversations that we necessarily will have with Canadians so that we seek their input, which is really important.

The Chair: Thank you very much, Minister.

I'm sorry, Mr. Arya, your time is up.

We now got Monsieur Savard-Tremblay for six minutes, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

Good morning, Minister Ng.

You said that the real agreement would obviously be the permanent agreement, and that talks would undoubtedly begin soon. You also spoke about public consultations. However, I hope that there will also be consultations with parliamentarians.

To ensure greater transparency, what mechanism have you considered proactively putting in place to consult parliamentarians and the public? As duly elected members of Parliament and spokesper-

sons for our constituents, we must inform you of certain requests or priorities and mandate you, so to speak, to advocate for certain industries, aspects or specific issues before you go to the negotiating table. What have you considered doing in this respect?

Hon. Mary Ng: Thank you for the question, Mr. Savard-Tremblay.

[*English*]

That is an absolutely important question. It is our commitment to make sure that we consult with businesses and with workers, and that absolutely has to include those who represent them.

We intend to launch a transparent process. It will allow for input from the many stakeholders who will give the government input on what needs to be in that negotiating discussion. I can assure you that our government is very committed to ensuring that we do have a transparent and open process.

We are doing other consultations right now on a potential agreement in another jurisdiction. In that, we have notified the public, and we have convened, both at the ministerial level and official level, opportunities for input. Parliamentarians are very welcome to provide input. We also have trade mechanisms where the department engages the provinces and territories.

It is really important for us to hear from Canadians, so that we have their input. Our policy, with respect to tabling of treaties, has been recently amended. That can be found publicly on the Global Affairs website. I can assure you that our government intends to fulfill the obligations and the amendments to that policy.

• (1130)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: What could be done to maintain this commitment to transparency?

As you know, before the holidays, we were asked to study an agreement without having seen the text. We understand that the timelines were tight. Nevertheless, we hope that this won't happen again, of course.

What concrete steps could be taken? For example, you spoke about negotiations with other countries. Could you come speak to our committee or consult with us before the negotiations are too far along? That way, we wouldn't get stuck studying the agreement after the fact and our work wouldn't be limited to rubber-stamping. Would you be willing to keep us informed of the negotiations from the start, so that we could do our research and mandate you to advocate for certain sectors or industries?

[*English*]

Hon. Mary Ng: I appreciate the very good question and the very good perspective.

What I can say is, absolutely, our government will be transparent with Canadians through the upcoming consultations. Of course, we have to make sure we get this agreement ratified so that we can begin those negotiations. We have a year to begin them after this is ratified. We fully intend to be transparent with Canadians, to consult with them, with workers and with businesses, and we fully intend to also meet our obligations under the revised tabling of treaties policy. I'm looking forward to those very good perspectives and consultations with Canadians in the upcoming negotiations.

The Chair: Thank you, Minister.

We go on to Mr. Blaikie for six minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

On October 1, 2018, Minister Freeland said:

The investor-state dispute resolution system that has allowed companies to sue the Canadian government is also gone between Canada and the United States. Known as ISDS, it has cost Canadian taxpayers more than \$300 million in penalties and legal fees. ISDS elevates the rights of corporations over those of sovereign governments. In removing it, we have strengthened our government's right to regulate in the public interest, to protect public health and the environment, for example.

Then on June 11, 2019, she said, "Perhaps one of the achievements I'm most proud of is that the investor-state dispute resolution system, which in the past allowed foreign companies to sue Canada, will be gone. This means that Canada can make its own rules, about public health and safety, for example, without the risk of being sued...."

That sounds a lot to me like a principled objection to investor-state dispute settlement clauses. Would you agree with that?

Hon. Mary Ng: I would agree with Minister Freeland's statement in both of those examples that you have just read. If the question is with respect to the future dialogue between Canada and the U.K., I'm looking forward to robust input from Canadians, from workers and businesses, on a future agreement with the United Kingdom, and their perspectives.

• (1135)

Mr. Daniel Blaikie: Based on Minister Freeland's remarks, and your own knowledge of the government, is it fair to say that those remarks indicate the government has a principled objection to including ISDS provisions in trade agreements?

Hon. Mary Ng: I think what's important, and in front of us, is a ratification of C-18 as quickly as possible so that we can get back to the negotiating table. Of course, as part of that process, we need to take the time and the opportunity to speak to Canadians and businesses and workers on what is important.

Mr. Daniel Blaikie: Of course, Minister, you know that C-18 is about implementing the Canada-U.K. trade continuity agreement which, itself, is about a five-page document. Fully one page of that document is devoted to ISDS provisions and trying to massage the ISDS provisions of CETA. It struck me as strange that a government with a principled objection to investor-state dispute settlement clauses would have spent 20% of the effort drafting this trade agreement on investor-state dispute settlement clauses, which is why I ask the question: Does the government have a principled ob-

jection to investor-state dispute settlement clauses in trade agreements?

Hon. Mary Ng: I think for the TCA, it is a replication of CETA. ISDS, as you know, has not come into force yet in CETA and won't until that is all ratified by the member states. What you have in the TCA is, on a bilateral basis, a replication of CETA for Canada and the U.K. to continue its trade relationship in the context of a replication of CETA.

Going forward, there will absolutely be opportunity for Canadians, businesses, exporters and the government to be dialoguing on the various components of what would be in a new trade agreement; and ISDS, no question, will be an area that we will hear from, which I'm looking forward to.

Mr. Daniel Blaikie: Does the government have a principled objection to investor-state dispute settlement mechanisms being in trade agreements?

Hon. Mary Ng: I think that in the statements you have read from Minister Freeland, with respect to our work on CUSMA, it is now no longer there.

As we pursue an agreement with the United Kingdom, we're going to listen to Canadians and we will be able to shape a mandate following that transparent dialogue with Canadians.

Mr. Daniel Blaikie: One of the things I find curious about this exchange is, if I were to ask: Does the government believe in low- or non-tariff trade? I suspect you would say yes, that it is the point of these agreements, which is to reduce tariffs going into other markets. That would be a principle that the government seeks to manifest in its trade agreements.

When I ask if you have a principled objection to investor-state dispute settlement mechanisms, I can't get a similarly straight answer.

Why this is important to me is that I do have a principled objection to investor-state dispute settlement clauses. I agree, not just with the statements of Minister Freeland, but many others who have noticed that these kinds of clauses, whether in NAFTA or other agreements, have cost Canada a lot of money and tend to interfere with good public interest regulation.

I don't have a problem saying that. That's something I don't want to see.

I've heard that the government in the United Kingdom is not asking for investor-state dispute settlement mechanisms. I notice that fully 20% of the work of this agreement has gone into keeping ISDS provisions possible, and I am wondering who is driving that train.

Will Canada be proposing an ISDS mechanism in the subsequent round of negotiations, or will it make a point of fighting against having those kinds of clauses in the agreement?

The Chair: Minister, is it possible to get a short answer?

Hon. Mary Ng: Yes, I will try.

Point number one, we will always negotiate in the interest of Canadians. Point number two, what is before us today—and I hope all colleagues will agree and I hope we will continue—is to accelerate this work as best we can to ratify Bill C-18 so we can get on and pursue new agreements. Point number three, the commitment to speaking to Canadians is very real and we intend to do that and I am looking forward to doing that in due course after the ratification of Bill C-18.

• (1140)

The Chair: Thank you.

We will move on to Mrs. Gray for five minutes.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair.

Thank you, Minister, for being here today.

We know that the memorandum of understanding between Canada and the U.K. was to extend the time period for the Canada-U.K. trade continuity agreement to be ratified until the end of March. As we're at the committee stage, of course we don't want to do anything to delay that. It will then go for third reading in Parliament, and then go to the Senate.

I am wondering if you can let us know the timeline for Parliament and then for the Senate because we know a number of constituency weeks are coming up.

Hon. Mary Ng: Thank you so much, MP Gray, and it's very nice to see you here today as well.

The timeline and the work that lies ahead, I think behooves all of us as parliamentarians. This is about getting Bill C-18 through the parliamentary process, both in the House of Commons as well as in the Senate.

I take, with absolute urgency, the request by our many businesses and workers who are looking to the ratification of Bill C-18 so we can continue to protect those Canadian jobs and that stability and the certainty—

Mrs. Tracy Gray: Thank you, Minister.

Hon. Mary Ng: I think the answer to your question is, we're all going to need to work very hard to get this bill to that finish point so it can be ratified.

Mrs. Tracy Gray: Thank you, Minister, but this feels a little like déjà vu. Last year we were bringing up the point that it had to go through Parliament and it had to go to the Senate and we didn't

have any specific dates or timelines. This seems very similar. You can't give us any commitment.

Have you spoken to the Senate about their work plan and when this would go through the Senate?

Hon. Mary Ng: Absolutely, we ensured that the Senate is briefed on the elements of the bill. The officials are providing technical briefings. We continue to work with the Senate, with parliamentarians as we need to, to ensure an expedient passing of this legislation and the work ahead.

Mrs. Tracy Gray: So is it actually in the work plan for March? Are there dates that they have slated to work on this in March?

Hon. Mary Ng: The work that is ahead, I think, is absolutely, as you rightly pointed out, important to get to the early passage, and I can assure you that we are in active dialogue with the Senate, just as we are with colleagues in this House, to ensure a speedy passage of this legislation.

Mrs. Tracy Gray: Minister, if this doesn't pass by the end of March—we know that the memorandum of understanding goes until the end of March—is there an extension process between Canada and the U.K.?

Hon. Mary Ng: There is continuous dialogue taking place between Canada and the United Kingdom on ensuring that the continuity and predictability are in place between our countries, for our exporters and our businesses, and that work and that dialogue continue.

The Chair: Thank you very much, Ms. Gray.

We go now to Ms. Bendayan.

Mrs. Tracy Gray: On a point of order, Madam Chair, according to my clock here, I'm at three minutes and forty-nine seconds. My team's clock shows the same thing, so I'm not sure if there was a bit of...

The Chair: On my clock it was 11:44, which would mean a five-minute round. I'm sorry but there was no other room there.

We go now to Ms. Bendayan.

Ms. Rachel Bendayan (Outremont, Lib.): Thank you, Minister, for appearing on such short notice.

I find it interesting that the opposition should raise the fact that we, as a committee, will do all of our work in order to ratify this as quickly as possible, when on Friday it was they who cancelled the meeting at which you were to appear. I'm very pleased to hear that the opposition is interested in moving quickly, and I'm sure that we can work together in order to achieve that.

Perhaps to that end, Madam Minister, you could speak to the importance of a speedy ratification, particularly since my understanding is that we do export a significant number of services to the United Kingdom. I think you mentioned that in your opening statement. Our exporters of services are not currently covered by the MOU, and I do believe that we all have an interest in supporting our service exports.

Are there any other reasons, to your mind—and certainly that one would be sufficient—that we should move quickly towards ratification, Minister?

• (1145)

Hon. Mary Ng: Absolutely, it's really important that we get this bill ratified.

You pointed out that the access to \$118 billion of the U.K. procurement market is but one. I would also say that the numbers that I read out earlier, in answer to a question, around the benefits of CETA with the EU—and that includes the U.K.—such as the 16.6% increase in export levels to pre-CETA time, are one reason we continue to provide as much certainty and as much predictability as we can to Canadian businesses.

Certainly the business groups and the workers they employ are really counting on all of us to speedily pass Bill C-18 so that predictability and that certainty can be had for workers.

On that, I want to thank everyone for their terrific hard work. I'm looking forward to continuing to do that, because it is absolutely crucial to the stability that businesses need, and they're looking for us to do that with the passage of this legislation.

Ms. Rachel Bendayan: Thank you.

I believe it was in December of last year that our NDP colleague on this committee put forward a motion with respect to this trade agreement to ensure that England would respect its obligations to the people of Ireland under the Good Friday Agreement. A similar motion was also passed unanimously by the foreign affairs committee.

I wonder, Minister, if you would like to comment on that. Canada has played an important role in ensuring the free movement of people under the Good Friday Agreement. Would you like to add any comment with respect to that?

Hon. Mary Ng: I think I had it on record before, but it bears repeating that Canada firmly believes in preserving the Good Friday Agreement and that it's crucial to maintaining peace in Northern Ireland. Canada of course helped support the establishment of the Good Friday Agreement, and we've consistently worked to ensure and to support the realization of peace, and we're going to always maintain the integrity of the Good Friday Agreement, including in this context. We are pleased to see that the U.K. and the EU have arrived at their own agreement in respect of the Good Friday Agreement, and Canada is firmly supportive of preserving this agreement.

Ms. Rachel Bendayan: Madam Chair, can I get in one last question?

The Chair: A very short question, please. You have one minute, and that's for question and the answer.

Ms. Rachel Bendayan: Thank you.

A lot of women in business are having a very difficult time during this pandemic. Many of them are calling this a “she-cession”. I noted in particular that you mentioned the importance of women's economic empowerment in our negotiations in the future.

Could you say a few words about this very important issue?

Hon. Mary Ng: It is a very important issue. Both Secretary Truss and I have an absolute commitment to women's economic empowerment. I humbly serve leading Canada's first ever women's

entrepreneurship strategy, and this really is about growing our Canadian businesses supporting those women-owned businesses so that they can be successful here in Canada and certainly abroad.

• (1150)

The Chair: Thank you, Minister.

We go on to Mr. Savard-Tremblay for two and a half minutes, please.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

I want to continue discussing the need for transparency.

During the CETA negotiations between Canada and the European Union, some provinces, including Quebec, had a negotiator representing them at the table. This was at the request of the European Union, not Canada.

You said that other negotiations were planned. We want to hear more about them soon.

In the case of the new negotiations coming up—

[English]

Hon. Mary Ng: Madam Chair, the translation and Mr. Savard-Tremblay were together, so I couldn't fully hear the question, because the translation was on top of it.

The Chair: I'm sorry.

You will have to start again, Mr. Savard-Tremblay. Your time will then start again.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Okay, thank you.

I was simply saying that, during the CETA negotiations with Europe—

[English]

Hon. Mary Ng: It's the same. Is everyone else having the same issue I am?

The Chair: Is anyone else having problems with the translation?

Mr. Randy Hoback (Prince Albert, CPC): Yes, it's doing the same thing. We're getting French and translation at the same time.

Hon. Mary Ng: I just want to be able to hear Mr. Savard-Tremblay's question properly.

The Chair: Prior to now it had been working efficiently. Let's give this a start again.

Mr. Savard-Tremblay, would you like to start again, please?

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I first want to make sure that it's working, so that I don't have to start again.

[*English*]

The Chair: Minister?

Hon. Mary Ng: No, it's the same.

The Clerk of the Committee (Ms. Christine Lafrance): May I suggest going to Mr. Hoback, and we'll try in the background here to see what's going on?

The Chair: Next on my list I have two and a half minutes for Mr. Blaikie, and then I have Mr. Hoback, if we're able to get that in. I'm going to go to Mr. Blaikie for his two and a half minutes.

Go ahead, Mr. Blaikie.

Mr. Daniel Blaikie: Thank you, Madam Chair.

Before I begin that time, just on a quick point of order, I think it would be problematic if our time with the minister expired and Mr. Savard-Tremblay wasn't able to get his two and a half minutes based on the fact that he's speaking French. We are at risk of that happening, and if we just continue as normal, then I think we're risking a scenario where we're prejudicing a member's ability to participate based on the language that he's speaking.

The Chair: It's certainly my intention to go back to Mr. Savard-Tremblay. I'm hoping they're going to have it corrected between you and Mr. Hoback.

Madam Clerk.

The Clerk: We are looking into the problem.

If Mr. Blaikie could pose his questions, then we'll come back to Mr. Savard-Tremblay.

The Chair: Mr. Blaikie, go ahead.

[*Translation*]

Mr. Daniel Blaikie: Is Mr. Savard-Tremblay fine with me continuing?

I wouldn't want the meeting to end without Mr. Savard-Tremblay having been able to speak, simply because no solution could be found for the technical issues related to the interpretation when he speaks in French. As a francophone, he has the right to speak in French.

[*English*]

The Chair: Mr. Savard-Tremblay.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I trust your good faith. Certain technical issues related to interpretation must be resolved. If you can guarantee that I'll be able to speak afterwards, I have no issue with Mr. Blaikie going ahead of me.

[*English*]

The Chair: My intention is to absolutely ensure that you get your time, Mr. Savard-Tremblay.

Interpretation is working on that now.

The Chair: If we have to go over a bit of the time, I'd ask the minister to stay an extra five or 10 minutes, if necessary, to ensure that members get their questions answered.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you for that, Madam Chair.

As I said, I didn't want to create facts on the ground that weren't consistent.

The Chair: I appreciate that.

Mr. Daniel Blaikie: My question is to you, Madam Minister. On February 5, Mr. Forsythe said:

Canada has agreed to a temporary outcome that will provide continuity to the U.K.'s access under Canada's WTO cheese tariff rate quota until December 31, 2023

We've heard in other testimony that this is one of the leverage points, if you will, for the U.K. to come back to the table for a more permanent agreement, because its cheese access to the Canadian market is only under WTO rules until 2020.

• (1155)

The Clerk: I'm sorry, Madam Chair, there's no interpretation.

The Chair: Hold on. We have no interpretation at the moment.

The Clerk: Mr. Blaikie, you can proceed. It seems like the problem has been solved.

Mr. Daniel Blaikie: Thank you very much.

All that to say, my understanding is that this has come up in previous testimony as one of those leverage points to get the United Kingdom back to the table.

Am I correct in that assessment? This is one of those kinds of pressure points that would cause the U.K. to want to negotiate a successor agreement, or am I mistaken in that regard?

Hon. Mary Ng: I am willing to stay for the minutes required, so that I can respond to Mr. Savard-Tremblay.

I've already said that we're committed to concluding negotiations within a three-year time frame. There are provisions within this TCA to ensure we are at that negotiating table to do that work.

Mr. Daniel Blaikie: My understanding is that one of those provisions has to do with the U.K. having this 2023 deadline for its cheese access under the WTO.

I'm trying to square the circle of, on the one hand saying, even though there isn't any hard sunset clause to this agreement, there are things like access to the Canadian dairy market that would cause the U.K. to want to negotiate a successor agreement. Then, squaring that with your statement that you're glad there's been no dairy market access concessions in this agreement, and that you won't make any dairy market access concessions in a future agreement.

If one of the reasons we can expect the U.K. to come to the table to negotiate a successor agreement is because their access to the Canadian dairy market is interrupted, how does that square with negotiating a successor agreement that doesn't provide any access to the Canadian dairy market?

Could you enlighten the committee on this?

Hon. Mary Ng: Number one, we will not provide new market access for supply-managed sectors. Number two, there are provisions within the agreement that will help Canada and the U.K. arrive at a conclusion within three years.

I'm looking forward to ratifying this agreement, so that we can begin to talk to Canadians, and then get back to the negotiating table.

The Chair: Madam Clerk, is the interpretation corrected?

If so, I'll go back to Mr. Savard-Tremblay. Otherwise, I'll go to Mr. Hoback, and then go back.

The Clerk: Yes, we can go back to Mr. Savard-Tremblay.

The Chair: Mr. Savard-Tremblay, you have two and a half minutes.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: That's fine.

Minister Ng, can you hear the interpretation?

[English]

Hon. Mary Ng: Yes.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: This is wonderful.

I want to thank my colleague from the NDP for making sure that I had the opportunity to speak. I also want to thank you, Minister Ng, for offering to stay longer in case we lose time as a result of other technical issues.

I'll repeat my question.

During the CETA negotiations between Canada and the European Union, Quebec had a negotiator representing it at the table.

Now you're saying that there will be new negotiations with the United Kingdom. In addition, there are currently other negotiations with different regions of the world.

Could you repeat this approach in future rounds of negotiations by including Quebec and the provinces? You'll recall that, in the case of CETA, this approach was established at the request of the European Union, not Canada.

[English]

Hon. Mary Ng: I think our commitment is really clear on transparency of consultations. We fully intend to ensure that provincial and territorial jurisdictions are consulted and closely informed on progress of any discussions that will ensue.

Of course, we also have the committee on trade, which is a mechanism that serves as a way to ensure that provinces and territories are indeed provided with regular updates and able to seek input. Our commitment to ensuring that there is consultation and that

we are working with our provincial and territorial colleagues is a commitment that we intend to ensure we carry out.

• (1200)

[Translation]

Mr. Simon-Pierre Savard-Tremblay: You said that there will be consultations. However, I wanted to know whether you could repeat the approach used in the negotiations with Europe, where Quebec and the provinces had representatives directly at the table. At the end of the day, if we want something done, we must do it ourselves.

[English]

Hon. Mary Ng: I think it's really important. Our commitment to transparency is one that I have stated and will continue to state. We are also committed to ensuring that we have the voices and the considerations of provinces and territories.

I hosted a federal-provincial-territorial meeting very recently, so I am engaged with my colleagues on their priorities with respect to international trade. That input and that commitment to work with our provincial and territorial colleagues is a commitment that our government will ensure we carry out.

The Chair: Thank you, Minister.

I'm trying to accommodate Mr. Hoback for the five minutes. I know Ms. Gray has an important question she was hoping to ask the minister as well. Any time we add to this session, of course, is taking from our next hour.

If we can be not too long with questions and answers, we can get both Mr. Hoback's and Ms. Gray's questions in within the five minutes.

Mr. Hoback.

Mr. Randy Hoback: Thank you, Chair, and thank you, Minister, for coming on Monday. I really appreciate that.

I just want to set the record straight. The Liberal party controls the House schedule that forced the vote on Monday. It's Liberals that actually control this committee and cancelled the committee on Friday. When the member says it's the opposition parties forcing this...no, the control actually does belong to the governing Liberal party.

Ms. Ng, you talked about how you recognize the need for actually getting a finalized agreement. You've said three years to get that in place. In the meantime, you've also identified that there are areas where there needs to be improvement.

Can you just give us some ideas on some of the things you would be looking for in the new agreement that does not exist right now?

Hon. Mary Ng: Thank you so much. It's good to see you, Mr. Hoback.

We are looking forward to hearing from Canadians, of course. While this agreement replicates the very good agreement that is CETA—and you heard me talk about the benefits of it—a bilateral agreement with the United Kingdom would be one that can look at digital trade and how our two countries can pursue those opportunities. It's one that has high ambitions for the environment and how that works its way into a trade agreement. It continues to have good ambitions around market access, particularly for women entrepreneurs or for small and medium-sized enterprises, which are 99% of all businesses in Canada.

These are all areas, but certainly there are more—

Mr. Randy Hoback: I'm sorry. I don't mean to interrupt, but I have limited time.

There's one thing you're forgetting to mention. We had CAFTA in front of us talking about some of the problems they're having with the existing EU agreement, and I think we're all very aware of what those problems are. We have an interim agreement in place. These organizations still have the same problems.

What are we going to do in the interim to assist these organizations to alleviate those problems? If they can't get market access because we didn't have time to do the appropriate deal, are you going to compensate them? Are you going to provide them special assistance to support them while we wait until a new deal is actually signed?

Hon. Mary Ng: We will work with CAFTA—we have been—and we worked with our agriculture producers and stakeholders, who are continuing to pursue market access into CETA. This agreement, of course, replicates CETA. Our trade commissioner team and our missions team, as well as my officials and I, are working very hard with CAFTA and our stakeholders and producers to make sure that this agreement and the market access and the opportunities for growth are there. We're going to continue to do that. That work doesn't stop.

• (1205)

Mr. Randy Hoback: That's fair, and you say that you're going to continue to fight for the market access, fight for the science-based analogy of the products going into the market there, recognizing science as the actual outcome or determinant of whether there should be a tariff or not, or access or not.

As you do this, you've also said that you're going to protect supply management and the supply sector, and I'm glad to hear that. You've been poor on compensating; you're finally coming to the table on some of the compensation. If you're going to do that, are you going to actually supply a payout to these other sectors that may not get market access because you've now said that you're going to protect supply management? How does that work? How is that going to function?

Hon. Mary Ng: There's no question that what we need to do is keep pursuing the work that we are doing to help our exporters get into those markets that are provided for, the opportunities that are provided for, utilizing the structure that exists in CETA, now bilaterally replicated with Canada-U.K. We are very committed to helping our businesses pursue those areas.

Mr. Randy Hoback: Again, you've heard that in the EU agreement there are problems, and they've identified that those problems still exist in the U.K. agreement and need to be identified in the new agreement, with some sort of solution. Do you commit to those sectors that you'll actually fight for them to solve those problems?

Hon. Mary Ng: We're absolutely going to listen very hard to those sectors, along with all sectors—

Mr. Randy Hoback: Listening and accomplishing results are two different things, Minister.

Hon. Mary Ng: Accomplishing results by—

Mr. Randy Hoback: We have to fight for them.

Hon. Mary Ng: We fight for them every day—every day—on market access, whether it's CETA or CPTPP or any of our negotiations. I fight for our exporters and our businesses every single day to be sure that they get access.

Mr. Randy Hoback: Explain to me, then—

The Chair: Allow the minister to complete her statement.

Mr. Randy Hoback: I'm doing that, Chair, but it's time, right...?

The Chair: Yes, I know.

Mr. Randy Hoback: I try to be respectful here.

Explain this to me, then. You say that you are fighting for them, yet in the meantime they've been left out. They've said right from the start that in this new agreement they needed to have a comprehensive agreement to deal with the issues of the EU agreement. They've been left out, and they've been left out now since 2003. What are you going to do to compensate them or to help them get market access or find a path forward for those sectors that are left out?

In the same breath, have you identified what are the sensitive sectors that the U.K. has that they're trying to defend and that they don't want us to have access to?

Hon. Mary Ng: We are here to make sure that our businesses get the continuity they need through this agreement. We of course hear that there are issues, but the purpose of Bill C-18 is to replicate CETA, and I would remind you that while the EU was still a part of the CETA, they were not able to undertake new international trade negotiations, so the discussion that has taken place with the U.K. is in terms of replicating CETA on a bilateral basis, which is what we've got here.

We're going to continue to work very hard for the agriculture sector, and indeed all sectors of the economy, so that in this new set of negotiations, we are considering what they are looking for and how we will pursue that in the next set of negotiations. I'm looking forward to ratifying Bill C-18 as quickly as we can so that we can begin those negotiations once Bill C-18 is ratified.

The Chair: Thank you, Minister.

Mr. Randy Hoback: I think the chair is looking at her watch, so....

The Chair: Yes. I'm sorry.

I know that Ms. Gray had a short question that she wanted to ask the minister.

Ms. Gray, please go ahead.

Mrs. Tracy Gray: Thank you, Madam Chair.

Minister, another concern that I've been hearing is related to British pensioners who reside in Canada and the unfair playing field that they currently have.

Did you meet or consult with the Canadian Alliance of British Pensioners, or any other group that might be representing them, either prior to or during your negotiations with regard to the Canada-United Kingdom trade continuity agreement?

Hon. Mary Ng: We consulted widely with many stakeholders, business groups, Canadians and workers. We're going to continue to do that as we pursue a new round of discussions.

• (1210)

Mrs. Tracy Gray: Was that one group that you recall? Do you remember meeting with them?

The Chair: I'm sorry, Ms. Gray. There just isn't enough time.

Hon. Mary Ng: We consulted with many Canadians, and we're going to continue to do so.

The Chair: Thank you, Minister, very much, and thank you to your officials. We appreciate your being here.

We will suspend for a couple of minutes so that the current witnesses can leave and our other panel can have a voice check done.

I'm suspending the meeting for a couple of moments.

Hon. Mary Ng: Thank you, Madam Chair.

Thank you, everybody.

Thank you, colleagues.

The Chair: Thank you.

• (1210)

(Pause)

• (1215)

The Chair: I call the meeting back to order.

I'd like now to welcome our witnesses for the second panel: from the International Association of Machinists and Aerospace Workers Canada, David Chartrand, Quebec coordinator; from the Canadian Chamber of Commerce, Mark Agnew, vice-president, policy and international; from Hensall District Co-operative Incorporated, Brad Chandler, chief executive officer and president; and from the Trade Justice Network, Angella MacEwen, co-chair.

Thank you, all, very much for joining us today.

Mr. Chartrand, please go ahead with your opening statement.

Mr. David Chartrand (Quebec Coordinator, International Association of Machinists and Aerospace Workers): Thank you for the invitation and the opportunity to share the position of the International Association of Machinists and Aerospace Workers on this important matter.

The IAM is the leading union in the aerospace sector and air transportation industry. We represent over 55,000 members across Canada of whom 22,000 work in the aviation, aerospace and air transportation sector. We also have members who work in a range of sectors and industries, from screening services across airports in Canada, automotive parts manufacturing, the hospitality sector, health care, custom paint additives, industrial pump manufacturing, plastics manufacturing to woodworking. We are as diverse as our membership and take every opportunity to advocate on issues that impact our members and workers across Canada.

The U.K.'s departure from the European Union has far-reaching ramifications, and securing a transitional agreement provides for continued trade and stability in trade relations between Canada and the U.K. This is irrefutable. The IAM unequivocally supports efforts to diversify and expand trade opportunities since healthy industries provide jobs Canadians can rely on. But with opportunities come challenges and today, on behalf of the IAM, I would like to highlight where we see both opportunities and shortcomings under the proposed agreement.

We strongly recommend that CETA not be continued in its original form and that the federal government address problem areas before proceeding with Bill C-18. In this interim period, we see an opportunity for the federal government to improve CETA through Bill C-18 and ensure the best possible trade deal for Canada and Canadians.

The contribution of Canada's aerospace industry should not be ignored. The aerospace industry has irrefutably proven to be the driver of innovation and technology across sectors. For decades, Canada's expertise, knowledge and skill base has been world renowned. In fact, the Canadian government relies more on this industry for revenue than Canada's competitors. Aerospace is a large contributor to the Canadian economy, some \$28 billion annually, and as a large contributor to our GDP, it's an export-intensive industry. Ninety-three per cent of aerospace manufacturing firms were exporters, which is 44% higher than the manufacturing average. Aerospace manufacturing firms also have more diversified trade than the manufacturing average, underlining the importance of trade to this industry, which must be on favourable terms.

The industry is also a source of well-paid, stable, unionized jobs that support middle-class Canadians. In the Canadian labour market, the aerospace industry employs more workers than the auto industry by a large margin: 208,000 versus 123,000 workers or 60% more workers than auto. Yet, to date, the industry has seen little direct support as a whole. We advocated for support in this industry prior to the pandemic and we support all efforts to grow Canadian aerospace, making us more competitive. Certainly, trade opportunities open doors for growth and exposure.

There are opportunities in the U.K. aerospace market. According to a study done by the trade commissioner, there is a niche for Canadian aerospace in the U.K. market. Although we make up a small portion of the U.K.'s trade portfolio, approximately 1.6%, we believe the Canadian aerospace industry should take advantage of opportunities afforded by the transition agreement.

The trade commissioner has identified opportunities for Canadian aerospace companies, which would be supported by the continuation of agreement terms under CETA. Disruptions in global markets due to the pandemic are inevitably leading to mergers and acquisitions with the aerospace and defence industry having been flagged as the most susceptible. The trade commissioner advises Canadian companies with cash flow to consider acquisition targets and to invest in the U.K.

Other opportunities of interest are software solutions that support the digitization of supply chain management, as well as technology supporting the transformation of industry due to the coronavirus crisis, such as cyber solutions, monitoring solutions and CBRN-type capabilities that support disinfection.

We need to position the aerospace industry for success in the U.K. market by the development of an industrial policy. Globally, economies have been shaken by the pandemic, paralyzing several industries. Government spending has increased in efforts to sustain both workers and businesses during this challenging time. It's clear a recovery will take years, and we recommend the development of a thorough industrial policy targeted at supporting and stimulating hard hit sectors, such as aerospace, aviation, tourism and related industries. Getting the economy back on track will not only require funding, but a comprehensive and well-thought-out plan to ensure a strong and full recovery in the form of an industrial policy.

● (1220)

We need the development of a national aerospace policy. A pan-Canadian aerospace policy would address several issues that Canadian aerospace faces. Canada's largest aerospace cluster is centralized in Quebec, however practically every province has an aerospace cluster. The industry is often caught between provincial and federal governments, which has made a cohesive funding framework and fostering of regional clusters difficult. The approach the government has taken is to fund individual aerospace companies and randomly transfer money to provinces with aerospace clusters.

This is neither an efficient use of money nor an effective means to ensure that Canada remains globally competitive, despite being unsurpassed in production of flight simulators, civil aircraft engines and MRO.

On support for regional clusters, practically every province has a regional cluster, yet there is no coordination amongst them. A healthy level of competition within an industry is beneficial. However, as an industry of national importance, there must be some level of coordination and cohesion at the national level. Simply put, strengthening the domestic industry supports its global competitiveness.

With regard to support in the procurement process, we recommend that Bill C-18 outline stipulations for Canadian content requirements in public contracts. Additionally, measures that allow the Canadian government to support and guarantee economic benefits must be part and parcel of the new agreement. The IM also recommends that a form of insurance framework be included, with the goal of protecting struggling economic sectors such as aerospace in the current climate, without facing penalties for breach of contract.

On CETA's gaps and erosion of labour rights, labour groups rang the alarm bells before CETA was adopted, highlighting the agreement's shortcomings in protecting labour rights. For instance, CETA's chapter 23 is excluded from general dispute settlement, meaning that labour disputes couldn't be resolved through a formal mechanism that involved penalties. While investors can rely on a binding investment court system, labour disputes are resolved through a non-binding process of co-operation and recommendation, which companies can ignore without penalties.

Furthermore, labour provisions did not provide for any binding or enforceable labour provisions for implementation of core international labour standards. International labour standards prevent the erosion of standards and a race to the bottom, which is likely, given that CETA allows parties to shift investments to areas where labour standards are lowest and through challenging new regulations that would negatively impact investments.

CETA also allows certain classes of workers to move between countries and bypass the Canadian immigration process. CETA limits government's ability to put limits on migrant workers in areas of high unemployment, even if local workers are available. This provision clearly undercuts government's efforts to train and hire local workers.

Last but not least, temporary entry provisions do not provide a path to permanent residency or immigration, as is the case in other European trade agreements. Moreover, this provision is expected to have a greater impact on Canada than the U.K.

CETA also imposed a condition on the Canadian government to treat foreign suppliers at least as well as domestic suppliers, which, in some cases, would disadvantage domestic businesses. Under the original agreement, our government's ability to regulate entry and activity of foreign firms was limited, even in instances when such regulations didn't discriminate between foreign service suppliers and domestic service suppliers. This places emerging domestic businesses in a precarious position, such as the majority of the SMEs in the Canadian aerospace market.

With regard to public procurement, CETA allowed procurement rules to apply to Canadian municipal and provincial governments, in addition to the federal government. Local bodies are prohibited from favouring local suppliers and even applying local content requirements to procurement contracts, as it would infringe on non-discrimination provisions.

What is more concerning is that CETA's provisions give unconditional access to Canadian procurement markets to European companies. Moreover, procuring entities are not able to obligate foreign suppliers to contribute positively to local economic development.

Under the new transition agreement, we recommend that Bill C-18 outlines stipulations for Canadian content requirements in public contracts, a measure that allows the Canadian government to support and guarantee that economic benefits be part and parcel of the new agreement.

The Chair: Thank you, Mr. Chartrand.

I'm sorry; I don't want to cut you off, but we don't have enough time. Maybe you can get your last comment in during our questions.

Mr. David Chartrand: I will just put in the IM's recommendations: Develop an industrial policy that includes a national aerospace policy to support the industry nationally; support the industry in remaining globally competitive in accessing global markets; ensure under Bill C-18 that there are Canadian content requirements in public contracts; review and revise problematic CETA chapters, such as labour rights, public procurement, trade regulations and quotas.

Thank you.

• (1225)

The Chair: Thank you very much, Mr. Chartrand.

You have submitted that to the committee, so they have those as well.

Mr. David Chartrand: Absolutely.

The Chair: Mr. Agnew, you are next.

Mr. Mark Agnew (Vice-President, Policy and International, Canadian Chamber of Commerce): Thank you, Madam Chair and honourable members, for the invitation to speak as part of the committee's Bill C-18 study. It's a pleasure to be back. Certainly quite a bit has changed since I last appeared, in the autumn. While on the one hand we do have an agreement signed, certainly it's not yet been implemented. Hopefully, we can talk a bit about that this afternoon.

It won't surprise members of the committee to hear me say that the Canadian Chamber strongly supports the passage of Bill C-18 in an expeditious manner. The U.K. is a significant trading partner for Canada for all the reasons that we all know, including being both our third-largest goods export market and our second-largest destination for FDI abroad. Despite those rankings, it still remains a small overall proportion of our trade flows, behind the United States. I think this actually means that there's room and potential for the relationship to grow.

Since December 2020, Canadian companies have managed to avoid going off the cliff and having tariffs reimposed, either for exports going to the U.K. or companies that are sourcing products from the U.K. into Canada. However, this doesn't mean that the current arrangements are perfect. We have an MOU implementing remissions orders to apply parts of a transitional agreement that's based on a provisionally applied CETA. As you can imagine, that's quite a mouthful for a lot of companies to be able to understand.

Therefore, while the execution of remissions orders has been a welcome relief for our members, we should not coast. Bill C-18 provides an ability to simplify the architecture that governs the trade between Canada and the U.K. as well as limit any operational questions that companies may come across during this current period.

I will highlight some of the benefits that we see from the TCA, which I did have a chance to speak to in more detail at my last committee appearance. Number one are the tariff eliminations on such products as lobster, plastics, vehicles and beef.

The second main benefit we see is in and around regulatory cooperation. As I said at my last appearance, CETA provides a critical framework for regulatory dialogues to occur on agriculture and industrial product non-tariff barriers that are keeping our products out of the market in terms of being able to use the CETA preferential tariff rates that were granted in the negotiations.

The third area of benefit we would point to in the TCA is in and around services. CETA's temporary entry chapter had provisions on intra-company transferees. That enabled Canadian companies to bring in specialized talent from the U.K. to service their Canadian operations. The contractual service supplier provisions mean that specialized skills can be brought in to fill niche supply chain gaps that companies aren't able to fill in-house. The CETA provisions on these entry categories reduce the business burden for bringing in these specialized talents. Without them in a U.K. context it will have a negative impact on Canadian businesses. This is not an area that currently is part of the MOU, as was discussed in the first half of the committee meeting.

As the government's economic assessment notes, the TCA will preserve an estimated \$2 billion in bilateral trade. At a time of significant economic uncertainty, we need to leave no stone unturned for Canadian businesses to find ways to grow our economy. Trade agreements are a way for governments to support growth at a minimal cost to the public purse.

As I noted when last appearing before the committee, if CETA matters, then transitioning it to a bilateral agreement with our largest trading partner in Europe also matters. As we approach March 31, we hope the TCA can be implemented rather than the two governments needing to roll over the current MOU.

Bill C-18 is fundamentally about preserving market access that we already have. Now is not the time to rock the boat on that. From a forward-looking perspective, drawing a line under Bill C-18 will enable us to devote our efforts to focusing on the issues that will allow us to actually expand and improve our market access. This includes such issues as digital trade, regulatory co-operation, trade facilitation, labour mobility and others.

Thank you for your attention. I look forward to taking your questions.

The Chair: Thank you very much, Mr. Agnew.

We will go to Mr. Chandler for his opening comments.

Mr. Brad Chandler (Chief Executive Officer and President, Hensall District Co-Operative Inc.): Thank you, Madam Chair and the members of the committee, for this invitation to appear before the committee.

I represent Hensall Co-Operative. We are one of the largest farmers co-operatives in Canada with over 6,000 farmer members and owners, and we have over 30 locations across Ontario and Manitoba.

Our business is very diversified; it's made up of animal nutrition, crop services, energy, freight-forwarding logistics, grain marketing and marketing of ingredients.

The largest section of our business is made up of our food products, which is our dry bean and IP, non-GMO soybean business, which is an export-type business.

Our growth has been tremendous. Some history is \$300 million revenue with 250 employees in 2010, and today, 2020, we stand with over \$800 million of revenue and 650 employees, and the biggest growth sector has been in export.

We have entered into commodity and value-added contracts with more 2,500 growers. We have contracts of between 300,000-350,000 acres annually for higher-value human grade soybeans, edible beans and identity preserved soybeans, all going to the U.K. and Asia.

Currently we ship 80 food-grade containers a day of food products out of our facilities to over 40 countries globally. We have invested more than \$100 million in hard assets across rural communities in Ontario, and these are primary investments to improve our facilities and our services and to expand our geographical footprint.

Quality, of course, is critical to our success. We ensure that all our food production facilities have quality accreditations, including SQF. Also, with all this shipment globally and to Asia and the U.K., it allows us collaboration with our freight-forwarding business, Hensall Global Logistics, which is one of the largest freight-forwarding businesses in Canada and in the top 10 in North America.

To give you some background, edible beans, human-grade soybeans, represent a critical sector between IP soybeans and dry beans. They represent \$300 million-\$350 million of our \$800 million gross revenue. It's been a key driver of our growth. It's provided a launch to our successful global logistics business. Looking back, we have edible beans and identity-preserved soybeans. The edible beans are our biggest product going into the U.K.; identity-preserved soybeans would be going into Asia.

When we're marketing these with our Canadian growers, we're a totally independent, all-Canadian co-operative, and we try to represent value added to these contracts so growers will grow these dry beans and IP soybeans, which brings another \$22 million-\$25 million into the farmers' hands and in their sectors. This is all based on export-type business.

As for our customers globally, we have developed long-standing trade with over 44 different countries. These relationships act as a springboard to allow us to offer higher value-added contracts to our Canadian growers.

Our customer list contains many names that you may recognize: Heinz beans, Princes beans and Kikkoman, which is soy sauce. Heinz and Princes are both U.K.-based, and they make up the biggest part of our dry bean business. When I say dry beans, I'm speaking of white beans, which are baked beans, kidney beans, different types of black beans and anything in that type of food sector.

We are also one of the sole major suppliers to Princes Foods in the U.K. We also have customers like Campbell's soup, and many may know that, if you eat Tim Hortons or Wendy's chili, those are our customers also, so you can see how we are diversified across the food sector.

The opportunity today and in the future is the growth of plant-based protein and meat alternatives, today projected to increase from a \$4.6-billion industry to an \$85-billion industry in 2030. This is an increase of 18-20 times, so you can see what the importance of CETA and Bill C-18 means to our business and Canadian growers.

Our Canadian climate is growing regions with access to arable land and water, a unique opportunity for favourable conditions for growing wide ranges of crops such as IP soybeans, non-GMO, pulses and dry beans.

Canadian agriproducts have a solid reputation all across the world, especially in Asia and Europe, giving us a unique opportunity to create advantages and opportunities for our Canadian growers.

Imperative for our success is that we must have free trade. Quotas will limit our growth opportunities. Duties and taxes can destroy markets since there is price sensitivity to food products and the retailers.

We must deliver our products to our customers on time, making reliable transportation infrastructure vitally important, and that includes ports, rails and roads.

• (1230)

Our primary ports are Montreal and Vancouver for outboard exports to the U.K. and Asia. Our bean-processing facilities are in southwestern Ontario and Manitoba, both utilizing rail and truck, so that's important.

Labour disruptions and blockades and heavy activity at ports and on our rail lines can be catastrophic to how we are viewed by our customers around the globe. Every time we miss a shipment or our product isn't the highest quality, it puts our business at risk.

Local access to employees and affordable housing [*Technical difficulty—Editor*]. We'd like to see fair access to improved broadband services and support for more innovative projects geared towards agricultural and food processing. The more value we add, [*Technical difficulty—Editor*] are for others to enter.

We deliver anywhere from 50,000 to 65,000 metric tons of beans annually to the U.K. market, which represents about \$150 million to \$200 million. This represents probably 50,000 to 80,000 acres of contracts and value-added crops for our Ontario and Manitoba growers.

Today in the U.K. we ship into Liverpool, Felixstowe and Southampton. We are currently seeing issues related to Brexit impacting congestion at some ports, which is an unintended consequence but a consequence all the same. We currently enjoy no tariffs on our products entering into the U.K.

Concerning Bill C-18, in the near term we currently have large trade with the U.K. Failure to put a CETA replacement in place will put substantial revenues at risk for our business, exporters in Ontario and the farmers we all represent. We are owned by 6,000 farm members. For the longer term, our history has proven that we can be leaders capturing share in growing markets of agricultural products. Canadian growers have a solid reputation around the world for quality and stewardship. We have this arable land, access to water, and weather to strengthen our position in the market for agricultural products, in particular dry beans, IPs and pulses.

Other countries have the same access to land and water, so we need to have a solid trade policy that promotes free trade and limits duties and excise taxes. We also need a very reliable transportation infrastructure. Having these will allow us the opportunity to take

advantage of our current leadership in the sector, coupled with the reputation of growers.

In short, we need tariff quota-free trade with the U.K. to capture our share of the growth forecast for the pulse sector over the next 10 to 15 years. The benefits to Canadian farmers will be stronger rural communities and a stronger contribution to Canada's economic growth.

Thank you.

• (1235)

The Chair: Thank you very much, Mr. Chandler. I assume you've handed that in to the clerk in both official languages.

Mr. Brad Chandler: I have not, as of yet.

The Chair: Please do that as soon as possible.

We'll go on to Ms. MacEwen from Trade Justice Network.

Ms. Angella MacEwen (Co-Chair, Trade Justice Network): Good afternoon.

Thank you for inviting me to appear on behalf of the Trade Justice Network.

We're a coalition of environmental, civil society, student, indigenous, cultural, farming, labour and social justice organizations. We came together in 2010 to call for a new global trade regime founded on social justice, human rights and environmental sustainability.

Our members include the Canadian Labour Congress, Unifor, the Canadian Union of Public Employees, United Steelworkers, Climate Action Network Canada, The Council of Canadians, the National Union of Public and General Employees, Communication Workers of America, the National Farmers Union and many other groups that represent people in Canada from all walks of life.

I was a part of the CETA negotiations and I'm quite concerned about the regulatory co-operation that we had in CETA being ported over to the U.K. Regulatory co-operation has been a central part of updates to NAFTA and CETA, locking in Canada's current approach to regulating. We should be particularly cautious here, as well, that we are able to maintain the freedom to respond appropriately to future crises in health, climate and the economic fallout of those crises.

Our current approach gives multinational industrial interests several entry points into Canada's regulatory system, which is not advantageous to Canadian workers, consumers or businesses.

Besides increased transparency, one of the key changes we would like to see is allowing for the use of the precautionary principle as EU nations already do.

We also have significant concerns about how previous and ongoing privatization of public services in Canadian provinces will interact with a new U.K. deal to lock these changes in with something we call "ratchet" and "standstill" clauses. We think that in a future U.K. deal, public services should be entirely exempt from parts of the deal, so it wouldn't be restricting governments in any way from developing new public services or repatriating privatized public services.

The new standard we had set with CUSMA is that ISDS and other investor-state dispute settlement courts are unnecessary and, in fact, harmful. We expect that in the future Canada-U.K. deal, we won't need the investor-state port that we have been developing in CETA.

In general, we feel that trade and investment should be viewed as a means to enhance material and social well-being, not an end in its own right. Proposals for a progressive trade agenda should be judged against four principles. The first is human rights in the broadest sense, including economic, social, cultural and environmental rights. These should have primacy over corporate and investor rights. There needs to be legally binding obligations to the responsibilities of transnational corporations to recognize those rights.

Next, democratic government must have the policy space to pursue and prioritize local and national economic development, good jobs for citizens and the preservation, promotion and restoration of public services.

Citizens, communities and the environment have the right to protection through public interest regulation. A climate-friendly approach should be adopted whenever pursuing trade and investment, which can no longer be allowed to outpace the carrying capacity of our planet.

Finally, we think it's important to think about how our trade policy fits in with other international commitments such as the sustainable development goals, SDGs, and the United Nations Declaration on the Rights of Indigenous Peoples.

If we take our commitments to the SDGs seriously, before finalizing any deal, we would do an impact assessment of the social and economic consequences the agreement will have on participating nations' ability to progress toward the SDGs. In implementing the UN Declaration on the Rights of Indigenous Peoples, we should consider what that means for including first nations, Inuit and Métis people at the bargaining table for international trade negotiation.

We're looking forward to seeing increased transparency in the negotiation of this new trade deal. That would include increased data availability from the economic report they have done. We're also looking at seeing an independent analysis of the deal's impact on our economy and our legislative and regulatory frameworks.

Thank you.

● (1240)

The Chair: Thank you very much.

I'm going to ask if the committee could stay an extra few minutes so that we could make sure that we can get through round one. We'd probably have to go to 1:05 p.m. or 1:06 p.m. I'd ask our witnesses and our committee members to please keep that in mind if it's possible for you to stay a little bit longer.

We'll go on to Mr. Lobb for six minutes.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you very much, Madam Chair. Thank you to all our witnesses here today.

My first question is to Mr. Chandler.

Hi, Brad. That was a great presentation.

We're talking about the transition agreement here today, but could you give the committee an idea about whether, going forward, there is anything from your perspective and what you've experienced day in, day out, the negotiators should look for when setting up a Canada-U.K. trade agreement, something that would benefit not only Hensall Co-Op but other bean growers in Ontario and around?

Mr. Brad Chandler: Ideally, we would keep close to what we have today. Quotas will limit our growth opportunities and it's hard to put into perspective how many growth opportunities there are, into the U.K. and globally, for our Canadian agriculture. We have to think vast and we have to think broad, and limit any types of quotas or duties or taxes that could destroy our ability to trade freely.

Mr. Ben Lobb: Do you know what the quota limits are today?

Mr. Brad Chandler: I'm sorry. I don't know those numbers today.

Mr. Ben Lobb: What about on the port side? Let's just use Montreal because that's the one with the service in the U.K. Are there any limitations in the port as far as future growth is concerned? There is opportunity, as you mentioned. Are there things governments should be looking at to make sure we have port capacity?

Mr. Brad Chandler: If we want to rise to the challenge of filling a bigger market, we need more port capacity. A continuity of rail service is always crucial. It cripples us very quickly when we lose any rail service. It's phenomenal how quickly that backlog is on us, especially when we're shipping 80 containers a day and that's just us. There are lots of other exporters and I wouldn't know the numbers of what they represent.

Also, on the availability of containers, even today that is a challenge to our businesses. Getting the food-quality containers here and getting them filled and getting them back is a challenge. Also, there's a consolidation of shippers. At one time, not too long ago, 10 years ago, we had 12 to 14 businesses that represented companies that owned containers and now we're down to, probably, six. As there's more consolidation, there are tighter and more restrictive conditions. More volumes are restricted. It's always a very big challenge.

Transportation is key, and timeliness of transportation, and we need the ports to grow with the opportunities that are available. And that's what we see in the private sector. We see more companies getting involved in ports. Anything that continues to grow with our exporting opportunities will be good.

• (1245)

Mr. Ben Lobb: The other question I have is about the ports on the other side. I think you mentioned Liverpool, Southampton and maybe one other port.

Mr. Brad Chandler: Felixstowe.

Mr. Ben Lobb: Are there any issues? I know you mentioned bottlenecks. Is that a Brexit issue that they're having short term or are these long-term issues that they're experiencing?

Mr. Brad Chandler: They're running at capacity and they need investments in some of their ports. Today we're struggling with some Brexit-type issues as the U.K. is trying to manage that situation. There are some political problems there.

Overall they seem to handle our products, but with food products going in, as our business grows, we're encountering some limiting factors. We can get the product out of Ontario, out of Canada, quickly enough, but can it be received in a timely fashion and to the doorstep? These large canners are going more to just-in-time delivery so that's why we have now grown our freight-forwarding and logistics business so much. We needed to take control of that. We couldn't rely on third parties.

Our biggest strength of area of growth is that we have full traceability with growers. They're growing our products under contract. We receive them. We segregate them. We clean them, process them to a high quality, and then we do also offer delivery to the customer's doorstep, to the Heinzes and the Princes Foods in the U.K. in our food-quality sea containers. We're the only business in Canada I know of that can offer that.

Mr. Ben Lobb: I have one last question because I'm about to run out of time. Locally, just give everybody an idea of the premium, I guess you'd call it, or the benefit for local producers to grow edible beans, and what it means to their bottom line to be sustainable, profitable farmers.

Mr. Brad Chandler: Today, as we market globally, first of all we look at what income a farmer could receive if he's just growing corn, soybeans and wheat, and then usually you have to look at which one makes the most money for the farmers. That's the one that's going to trend higher. Then we try to offer a premium of \$50 to \$100 an acre over and above that competing crop revenue per acre. We try to pay over \$75 to \$100 more. That converts into probably \$23 million to \$25 million of added premiums to Ontario

growers, and that money goes right into their bottom line and helps us keep our volumes, to continue to grow.

Mr. Ben Lobb: Thank you.

The Chair: We'll move on to Mr. Sarai.

Mr. Randeep Sarai (Surrey Centre, Lib.): Thank you, Madam Chair.

I want to thank the witnesses. You always bring good insight into how our trade is affected and how these deals affect you in particular.

I'm very keen to know from Mr. Chartrand, who gave a very accurate and detailed analysis of his industry, an industry that is also relevant here in Surrey, British Columbia. We have a lot of aviation jobs and aviation parts that get made here and it's good to know the effect of them.

What trade opportunities do you see going forward that we could negotiate to make it better for our machinists and our parts manufacturers here in Canada to export more into the U.K.?

Mr. David Chartrand: We have opportunities through SMEs, small and medium-sized businesses. It's not a huge trading partner necessarily, but there are opportunities on the military side. There are opportunities with parts from aircraft and things like that. It is one of the biggest countries that produces over there, so we have multiple opportunities with them.

The problem is the lack of structure we have here. It's making it more difficult for us to compete because the industry in the U.K. is heavily subsidized and supported by their government.

Over here, for us, the lack of support from the government currently makes investors wary of coming here. I'll give you an example. When big investors like Airbus came here and invested, they had big ideas of putting in a lot of money, but the overcapacity we have right now due to the pandemic makes it so companies are looking at bringing back work in-house and are looking at their investments, and whether they should continue investing in Canada.

• (1250)

Mr. Randeep Sarai: Mr. Chartrand, you're talking more about supporting the industry here. I'm talking about the tariff itself. Is there anything that the trade negotiators, our ministers, staff and others, should look into to increase trade? That's what I'm particularly interested in. I know what you're saying might be valid as well, but—

Mr. David Chartrand: Making us more competitive.

Mr. Randeep Sarai: Okay, more competitive. Is that—

Mr. David Chartrand: Making us more competitive versus the suppliers—

Mr. Randeep Sarai: No trade barrier is preventing it. It's more of making some coordination here and making it more competitive from the domestic side to attract more investment so you can export more. That's what you're saying?

Mr. David Chartrand: That's it exactly, absolutely.

Mr. Randeep Sarai: The second part, you were saying to increase more “buy Canadian” policies. Everyone likes that, it's always a very popular thing to say we should be buying more. The contrary argument to that is other countries then impose the same restrictions or the same incentives in their countries, which poses a tit-for-tat problem that starts happening, where they'll say “buy U.K.”, and don't buy Canadian parts. How do we mitigate that? How do you think we should go about doing that, where we can encourage more procurement and more “buy Canadian” without hindering our exporters from getting into markets like the U.K.?

Mr. David Chartrand: We can set certain limits. We're not talking about “buy 100% Canadian” here. We're talking about other countries with trade agreements that have put provisions where, when there are government contracts, procurement issues—for example, the fighter jets we're going to be buying here in Canada—that we have a certain obligation for some Canadian content. I'm not talking about 100%; I'm talking about a certain percentage.

The issue we have is, okay, I understand that everybody bids, but as I said, we are disadvantaged right now by the lack of government support. By not having an aerospace policy, not having a sound foundation, not having anything structured in the way of financing supporting that industry, we expose ourselves constantly to complaints from foreign investors.

Mr. Randeep Sarai: So you're saying that when we do a large procurement like the fighter jets, we induce a Canadian context. That has been part of the procurement strategy. Everything that I've read....Aerospace manufacturers have been actually marketing that aspect of how much they'll contribute to *[Inaudible-Editor]*. Some have actually bowed out, because they are not able to comply with that.

My next question is to Mr. Agnew from the Canadian Chamber of Commerce.

In terms of tariff elimination, can you elaborate? You were talking about lobsters. You had a couple of others. What industries can we work on to eliminate tariffs? We're very close to 98%-99% tariff elimination.

How can we eliminate tariffs for other Canadian exports?

Mr. Mark Agnew: The main outstanding ones would be products that currently have a tariff rate quota in place. Those would be beef and pork, specifically.

Mr. Randeep Sarai: You said something about digital trade and market. How can we improve that, and how can we have that be part of the next trade agreement?

Mr. Mark Agnew: We've seen, in the last number of years, agreements like the USMCA and the CPTPP having these digital trade chapters that will particularly enable data to move easily across borders within certain privacy safeguards.

Although not currently in CETA, that is the sort of thing that should be replicated in the Canada-U.K. context, given the amount of cross-border investment between the jurisdictions.

The Chair: Thank you.

Mr. Savard-Tremblay, you are next, for six minutes.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

I want to thank all the stakeholders for joining us.

I want to ask Mr. Chartrand a question. He explained the vital importance of the aerospace industry. He emphasized that it was equally important to have a strategic aerospace policy, given the strategic aspect of this sector. Of all the countries with a broad and diverse aerospace sector, Canada is probably the only one that doesn't have an aerospace strategy.

CETA, which forms the basis of this transitional agreement, has often been described as a progressive agreement. Mr. Chartrand, you also represent workers. In terms of workers' rights and other important issues for all unions, such as environmental protection, does it seem satisfactory? Or should we start from a clean slate when the time comes to negotiate something more fundamental?

I want to ask Ms. MacEwen from the Trade Justice Network the same question.

• (1255)

Mr. David Chartrand: In terms of workers' rights, as I explained in my opening remarks, the investor-state dispute settlement mechanism that existed under NAFTA has been withdrawn. I don't see any reason to make the same mistakes by including a system that would give all kinds of rights to foreign investors when workers don't have any rights.

In the event of disputes, investors have much stronger courses of action. If workers need to complain about a situation, a court doesn't necessarily make a ruling. In their case, dispute settlement is mostly done through mediation or discussions. However, this doesn't have any impact and doesn't lead to penalties. This doesn't prevent other countries or foreign investors from doing what they want.

I believe that Canada was the subject of 39 complaints through NAFTA mechanisms such as the investor-state dispute settlement system. Canada had to pay out about \$600 million as a result of settlements. Billions of dollars have yet to be paid out. Most of these complaints involved environmental issues. Companies wanted to come here and set up shop without following Canadian environmental rules.

I don't see any reason to make the same mistakes by copying and pasting from the current agreement with the European Union or by including provisions that harmed us under NAFTA. By now, we should have learned from past agreements. We must avoid repeating these types of mistakes in a new agreement. Otherwise, taxpayers will have to pay a significant amount in compensation to private companies that come here and that don't want to follow our environmental rules.

[English]

Ms. Angella MacEwen: I would agree. The labour and environment chapters in CETA had really wonderful language. It was very aspirational language, although there was no enforceability. When CETA was signed and labour supported it, I was the economist at the Canadian Labour Congress at the time. We were told that if we signed this provisional agreement there would be a quick review and we would amend CETA to make it enforceable. The EU has dragged their feet on that completely. There have been no changes to date on the enforceability for either labour or environment within CETA.

I'm currently a member of the domestic advisory group for CETA, and it has been incredibly frustrating for us. We were promised that we could make this deal more progressive over time, and it simply has not been possible. The labour actions we have available to us within the CUSMA are far more concrete than what we have available through CETA. There's virtually no benefit to the labour or environment chapters right now in CETA.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: How much time do I have left, Madam Chair?

[English]

The Chair: You have a minute, sir.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: In that case, I'll turn to Ms. MacEwen.

Briefly, could you tell us what concrete measures set out in CUSMA may be implemented? What could be done to strongly encourage the government to negotiate future chapters in this area when the time comes to negotiate a permanent agreement?

[English]

Ms. Angella MacEwen: Certainly the advantages in CUSMA are that there are specific avenues provided for workers to be able to make labour complaints if a company is reducing their standards, and the burden of proof is shifted. In previous labour agreements, you had to prove that it was affecting trade, that somehow these labour or environmental violations were happening in a way that affected trade and investment.

In CUSMA, the burden of proof has shifted to where you have to prove that it's not affecting trade, because it's an almost impossible bar to get to. That one piece would be the biggest shift, I think.

• (1300)

The Chair: Thank you very much, Ms. MacEwen.

We'll go on to Mr. Blaikie for six minutes, please.

Mr. Daniel Blaikie: Thank you very much.

Ms. MacEwen, I want to circle back to something you mentioned in your opening remarks when you talked about not just trade policy, but social policy.

We've heard often at this committee about the extent to which certain Canadian businesses and producers are frustrated by some of the restrictions on getting into the European market, even under CETA. We see that in a context where the Canadian government has often been willing to make the kinds of sacrifices they're asking of their trading partners and that their trading partners don't seem willing to make.

Canada has made significant concessions on its supply management system, for instance, even though that puts a lot of strain on supply-managed producers. They've had to suck it up and find a way because the government hasn't had their backs. We expected our trade partners to reciprocate on that, but they don't. In Canada, Liberal and Conservative governments have been mystified by this, and a number of our businesses are mystified by this.

In fact, whereas the conversation here—and I've certainly seen this at the trade committee—is really about economic policy and a belief that at the end of the day trade policy is for the people who have something to trade, many of our trading partners recognize that trade policy is also social policy, and that trade policy decisions have social consequences, not just economic consequences.

I wonder if you could speak a bit to that issue for the benefit of the committee and any Canadians who might be listening. I think this continues to be an ongoing problem in the discussion about trade here in Canada, in that we don't have many political parties—certainly not the two that have governed this country—that appreciate the social dimensions of trade policy. Maybe you could provide us just a few reflections on that for the next two minutes or so.

Then, with the time I have left, I'd like to ask Mr. Chartrand a question.

Ms. Angella MacEwen: Absolutely. I think that's incredibly important. You can't separate people from the economy. Anything that impacts the economy is going to impact people. When you have trade deals that affect very narrow sectors, you're going to have very localized impacts. If you're affecting farmers, for example—I grew up in a farming community—that's going to affect the whole community. There's no way that the impact to their economic livelihood doesn't also impact the society, the culture, that they've built.

Quebec, particularly, often recognizes this in trade deals, in terms of cultural industries that they have to keep their culture alive. Quebec does a better job at this than Canada does as a whole, I think, in terms of recognizing the importance of culture and the importance of society. What you will see is that Canada will follow both the letter and the spirit of the trade agreement, where other countries will find ways around it in order to protect the social impact or the cultural impacts that they're looking for.

It is a difference in approach, and I think that when we are dealing with countries that treat trade deals differently, we should keep that in mind, so that we're not, as you say, undermining our industry and our culture at the same time, and not getting that reciprocation that we thought we were going to get.

Mr. Daniel Blaikie: One example, for instance, is that we've seen a pretty significant depopulation of rural Canada, over a number of decades now.

Is it fair to say that although some of those trends might be present in Europe, they haven't seen it to the same extent, and that, in part, their trade policy is about trying to...? In addition to being able to export more products, it's also first and foremost about sustaining vibrant rural communities in Europe and they haven't seen the same rate of depopulation that Canada has seen.

Ms. Angella MacEwen: Exactly. For example, European countries have used environmental protection legislation to protect small farmers in a way that no jurisdiction in Canada has.

I worked for a period of time at the Nova Scotia Department of Agriculture, and I wrote a background paper on this, trying to encourage the Government of Nova Scotia—to show them—that these things are possible. We can protect farmers in rural communities in a way that's consistent with trade deals. However, the province was afraid of the repercussions of ISDS, so they weren't willing to go forward with types of amendments that would protect those rural communities.

● (1305)

Mr. Daniel Blaikie: Thank you very much.

Mr. Chartrand, one of the things that the pandemic has put in focus is the degree to which Canada has not had real planning for a number of different sectors. That's a theme that we heard when we were talking about the impact of COVID-19 on trade. We heard about the lack of industrial planning in Canada. We've seen it on the vaccine front. We've certainly seen it, as you quite rightly pointed out, on the aerospace front.

How does Canada negotiate a trade agreement with another country where there are a lot of aerospace consequences? I think of Northern Ireland, for instance, where there are a number of manufacturers that work both in Canada and Northern Ireland without

having a plan for the industry. How can you have a coherent trade policy for aerospace, if you don't have a plan at home for what you want out of the industry and who it's meant to benefit?

Mr. David Chartrand: If you look—

The Chair: Mr. Chartrand, I have to ask for a brief answer, if that's possible.

Mr. David Chartrand: I'll try to make it as quick as possible.

The fact that we don't have an aerospace policy here, a national policy, and that it's not structured—and we're on an ad hoc basis when there's an emergency and there's money thrown at a certain company because there's a problem with that company or something like that—is hurting our industry incredibly. The fact that it's been 12 months since this pandemic has started, and in air transport and aerospace, we've yet to see any kind of direct support to the industry, is one of the factors, on top of many others, that makes it difficult for us as a trading partner with other countries that are supported and their industry is supported. They have structured plans. They've already started helping their industry. Their industry is already preparing to recover after the pandemic, and we've yet to do so.

You cannot not have support for that industry, not have a plan in place, not have something structured, and then expect when the pandemic ends to be able to compete with these other countries that are going to be inside a trade deal like that. That's number one.

Number two, the other thing is that by not having support for the industry like this, we don't have any way of investing money in companies like they do in other countries, as in Europe, where governments invest through military. We don't have structured program here for that. We don't do as much military as they do, so it's making it less interesting for big order givers, OEMs, to come and establish themselves over here. They're worried that they won't have the government support that's needed like they would have in the other countries, which then impacts all of the supply chain—all the SMEs and all that.

That's as quickly as I could go, Ms. Sgro.

The Chair: Thank you very much, Mr. Chartrand.

To all our witnesses, we wish we had more time with you, but thank you so much for your valuable information today.

The witnesses can leave.

To the committee, we will need any amendments you wish to submit to the clerk by Wednesday, February 24, in their final format, in both official languages. The committee will hear witnesses on Friday, and start clause-by-clause consideration as well on Friday.

Thank you all very much for your patience today. We were trying to get a lot in, in a short period of time.

I will move adjournment of the committee today. Thank you.

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