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The Honourable Mark Eyking

Standing Committee on International Trade

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• (0900)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)): Good morning, everybody. Welcome. This is the House of Commons Standing Committee on International Trade.

I have a few housekeeping things right off the bat. Since it's the House of Commons, we have two different languages. If anybody needs translation, we have those boxes in the back. As far as pictures go, you cannot take pictures during the sessions, but in between, when we suspend, anybody is free to take pictures then. For media availability, after the sessions are over this afternoon at a quarter to two I will be available for 10 minutes if anybody from the media wants to talk to me. After that, we have to move on.

It's great for our committee to be here in beautiful British Columbia and of course here in Vancouver. Many of us got here early yesterday and got to enjoy the city. This is our first stop in our trip across the country. We are going to try to stop in every province, and we're also going to be doing video conferences from Ottawa with the territories.

As many of you know, Canada is a trading nation. We do a lot of trade. We do over a trillion dollars' worth of trade a year, and three-quarters of that is with TPP countries. I was looking at some of the numbers. British Columbia does 10% of that trade.

Our committee consists of members from right across the country. From British Columbia, we have Sukh Dhaliwal. From Saskatchewan, we have Mr. Ritz and Mr. Hoback. From southern Ontario, we have Ms. Ramsey and Mr. Van Kesteren. From the Toronto area, we have Mr. Fonseca and Mr. Peterson. From Atlantic Canada, we have Ms. Ludwig from New Brunswick and me from Cape Breton, Nova Scotia, so we have a broad group.

We also have two members from Quebec, Mr. Lametti and Madam Lapointe, who are in Ottawa taking care of things for us there today.

We're going to visit all the provinces, and besides listening to witnesses across this country and in Ottawa, we will also be taking submissions from the public. We had such a big uptake—I think we started off with 6,000 emails last week and now we're up to 10,000—that we've extended the time for submissions from the public. They can be sent in to our trade committee until the end of June. I think they're allowed to be up to 1,500 words and, to make it easier for us, we'd like them to have an executive summary.

As we travel and as our analysts put all of this together, it's probably going to take a full year to do this report by the time we do

the briefings and the report that we will present to the House. We're hoping to get it there by the end of the year, which would bode well, because we'll present it to the House of Commons and that gives the rest of the MPs a chance to look at it. We're expecting that some time next year there of course will be a vote on this.

This is where we start: here in British Columbia. The way we have it is that we're going to one city or town in each province. In Quebec and Ontario, we're going to a couple of different places.

We will have four panels. Each panel lasts about an hour. We will have three witnesses on each panel and they will have five minutes each. Then we'll have Qs and As. When I hit the gavel, we suspend, and then another group comes in.

The way we're doing it is quite new for us. It's exciting that there's such a big interest out there in what we're doing. It is a very important thing with what is happening on this trade agreement.

On that note, we're going to start with some witnesses from the British Columbia area. I have with me today Mr. Stewart Beck from the Asia Pacific Foundation of Canada.

Welcome, sir. You have five minutes. We'll have everybody give their submissions and then away we go.

• (0905)

Mr. Stewart Beck (President and Chief Executive Officer, Asia Pacific Foundation of Canada): Thank you for the opportunity to appear as a witness before the House of Commons international trade committee. As you know, my name is Stewart Beck. I am president and CEO of the Asia Pacific Foundation of Canada, a not-for-profit organization established by an act of Parliament in 1984 and a leader in research and analysis of Canada-Asia relations for over 30 years. We partner with government, business leaders, and academics in Canada and across the Asia-Pacific region to offer clear, specific, and actionable policy advice.

Prior to my role at APF Canada, I was a public servant and diplomat for 32 years, a career culminating in the post of Canadian high commissioner to India. I also served abroad in the U.S., Taiwan, and mainland China.

The rise of Asia marks one of the defining shifts of the 21st century. Within five years, Asia will represent 44% of the world's gross domestic product and 54% of the global middle class, and it will consume \$4.8 trillion U.S. annually, 42% of the world's total consumption. Responding to this dramatic global shift, the Government of Canada has accelerated its engagement with Asia, making trade with China and India a pillar of its overseas agenda, and launching foreign trade missions and negotiating free trade agreements with renewed enthusiasm.

Yet, despite being a Pacific nation with approximately 60% of all new immigration originating in Asia, Canada remains marginalized in many of its relationships with Asian countries, which is costing us in building the necessary trade architecture in the region. Canada has been fortunate to have sources of growth and stability in traditional partners such as the United States and Europe, and these partnerships should not be ignored. The new Government of Canada has an opportunity to articulate a more targeted and strategic approach to engaging Asia that both advances Canadian national interests and contributes to the sustainable development and growth of the region.

To assist the Government of Canada in this endeavour, APF Canada recently released a non-partisan strategy paper that outlines a series of recommendations for the government to consider as it articulates its response to the rise of Asia. I have a copy of it here in both official languages, if you are interested. It's 25 pages, and you can read it on the plane going to Calgary. We firmly believe that a strategic approach is needed that considers the diversity of the region and accommodates a degree of uncertainty and short-term volatility. Our strategy paper is entitled "Building Blocks for a Canada-Asia Strategy", and it is available on our website.

First among the advisory documents, the 10 actionable recommendations, is that the Government of Canada work with Parliament to ratify the Trans-Pacific Partnership. The TPP is the largest and most ambitious trade deal in the world. It effectively lowers tariffs and sets common standards for 12 countries that represent a combined market of \$28.5 trillion, or 40% of the global economy. Of the 12 countries it encompasses, we already have joint free trade agreements with two, a bilateral free trade agreement with another, Chile, and a Commonwealth partnership with five others: Australia, New Zealand, Singapore, Malaysia, and Brunei.

The direct gains to Canada of the TPP are largely in the Japanese market, but much more significant are the potential indirect benefits. In a mid-sized economy such as Canada's, well-designed trade agreements like the TPP are an important means of driving innovation, productivity, and growth. The TPP can provide scale, market depth, discerning customers, flow of talent, and foreign direct investment. Not being part of the TPP, on the other hand, would be unambiguously negative for Canada. The potential costs of not being in a multilateral trade agreement anchored by the United States are significant and real for a NAFTA partner.

Canadians have been slow to embrace the TPP. Part of the reason for this is unfortunate, but understandable: It is an agreement negotiated largely in secret, with little involvement of the business community in identifying trade opportunities and risks, and signed by a former government during an election. More fundamentally, though, Canadians want to be convinced that such trade agreements are in their best interests.

APF Canada polls have consistently found that two-thirds of Canadians support free trade agreements in general, but this optimism about trade has yet to infuse the discourse around the new TPP. Our latest national opinion poll on attitudes toward the TPP finds an even split, with 41% expressing support for the TPP, and 38% opposed to this historic deal. The poll highlights a significant disconnect between positive attitudes toward free trade generally and divided views on support for the TPP specifically.

● (0910)

I'll just run quickly through the key findings.

Do I have time?

The Chair: You're running short.

Mr. Stewart Beck: Okay.

It's split on TPP, as I've said. Forty-one per cent said they support, and 38% are opposed. Thirty-three per cent think the agreement will be good for Canada's economy, and 31% think it will be bad. The rest think it will be neither good nor bad or offered no response.

We're free traders. In general Canadians are predisposed to favour free trade and free trade agreements: 66% say they support free trade with other countries, and a majority think Canada's international trade with other countries has helped our economy.

There are partners that we like. Support for free trade agreements with TPP partners is significantly higher than support for the TPP itself. Support is particularly high for familiar partners like Australia, the U.S., and New Zealand, but support is also high for free trade agreements with Asian countries like Japan—70% agree—Singapore, and Vietnam. Likewise, there is strong support for FTAs with Latin American partners, with the majority of Canadians supporting free trade with Mexico, Chile, and Peru.

I just want to make one note here. Canadians think China is involved in the TPP, and the opposition for a free trade agreement with China is higher than any other of the 13 countries we asked about. Where people think China is in the TPP, it does lower support levels for the agreement.

This is a landmark deal, and this could really be made into a policy agreement.

If I can just leave you with one thought on TPP, it's that we really get the best benefit from having Japan in that agreement. We were negotiating an economic partnership agreement with Japan. It's been put on hold because of the TPP. My urge to the government would be to restart that negotiation with Japan because ultimately Canadians support that deal. We will benefit greatly from having an EPA. The Prime Minister is going to Japan in May for the G7, and this is a time when perhaps we can restart that because who knows where TPP will go, particularly in the United States.

Thank you.

The Chair: Thank you very much, Mr. Beck, for that good report. We will take that for reading.

Now we're going to move on to the Vancouver Fraser Port Authority and we have Mr. Robin Silvester.

Mr. Robin Silvester (President and Chief Executive Officer, Vancouver Fraser Port Authority): Honourable members, good morning and welcome to Vancouver. It's a pleasure to have the opportunity to present to you today.

My name is Robin Silvester. I'm the president and chief executive officer of Vancouver Fraser Port Authority. I have with me Kirk Zhou, who is our manager of decision support and business analysis.

I also would like to acknowledge that we are standing today on the traditional territory of the Coast Salish peoples.

The Port of Vancouver, formerly Port Metro Vancouver, is Canada's largest and most diversified port, a dynamic gateway for domestic and international trade and tourism, and a major economic force strengthening our nation's economy.

Of the trillion dollars in trade that the chair mentioned at the outset, \$200 billion of that trade in goods takes place through this gateway. We trade through this gateway with 170 economies, and the trade activity alone generates 100,000 direct supply-chain-related jobs in Canada, paying \$6.1 billion in wages. Again, the supply chain activity alone is generating \$9.7 billion of GDP.

That trade equates to about \$1 in \$5, as I've outlined, of our nation's trade in goods, and these 100,000 jobs pay wages 50% above the national average wage, good jobs that help people raise families even in an expensive region like this.

As a Canadian port authority, the Vancouver Fraser Port Authority was established by the federal government pursuant to the Canada Marine Act and is accountable to the elected Minister of Transport.

The mandate of Canadian port authorities is to enable Canada's trade, ensuring efficient and safe port operations, environmental protection, and regard for the community that we're part of, while working for the benefit of all Canadians.

The Port of Vancouver offers a full range of facilities and services to the international shipping community, operating in five business sectors: automobiles, break bulk, bulk, container, and crews. Canadian grains, coal, sulphur, potash, oil, and other resources and goods from western Canada are exported through the port.

Consumer products and other goods are imported primarily from the Asia-Pacific region, destined for the whole of Canada, and

indeed, in some cases, into the U.S. Midwest as well. The port authority does not decide, of course, what is traded through the port, but does ensure goods are moved safely in an environmentally sound way.

Free and open trade is crucial to the delivery of our mandate, which is to enable trade and to provide value for the nation and for the communities we operate in.

Historically from the port's perspective, free trade agreements have increased imports and exports and benefited key sectors of our economy. For example, Canada's four TPP partners in the Americas region—the U.S., Mexico, Chile, and Peru—make up 38% of Canadian trade tonnage with TPP members through this port.

All these nations already have free trade agreements with Canada. Our most recent agreement with Peru may well be an explanation for the sharp growth in bilateral trade between Peru and Canada since 2013, which has been principally a result of increased wheat exports. The remaining six TPP partners in the Asia-Oceania region, by contrast, have no trade agreements with Canada.

As a group, TPP members account for a 28% to 30% share of Port of Vancouver Canadian market volume over the past two years, looking at both imports and exports. In 2015 this equated to around 27.4 million tonnes of cargo and approximately \$21 billion of trade. Japan, the port's second-largest trading partner by volume, is the leading TPP member from a sea trade perspective, outlining the previous speaker's reference as well to the importance from a Canadian perspective of Japan as a member of TPP.

Several of Canada's competitors in key markets such as Japan are also TPP members but also possess a significant advantage through existing trade agreements. We need to ensure we do not lose further competitive advantage should the deal be ratified by other competitors but not by Canada.

In conclusion, for our part we would advocate that the federal government ratify the Trans-Pacific Partnership agreement in order to provide further support and increase and diversify export opportunities for key sectors of the economy by opening up those opportunities and remaining competitive. Trade agreements have had a positive impact on cargo through the port, and we would expect that to continue.

On behalf of the Vancouver Fraser Port Authority, I want to emphasize our commitment to facilitate Canada's trade in a manner that is sustainable and considers communities. I very much appreciate the time to present to you today.

Thank you.

● (0915)

The Chair: Thank you very much, Mr. Silvester, for your nice concise report and for coming here this morning.

Our third and final panellist will be from BC LNG Alliance. I think we have Mr. David Keane here.

Welcome, sir. Go ahead. You have five minutes.

Mr. David Keane (President and Chief Executive Officer, BC LNG Alliance): Members of the committee, ladies and gentlemen, thank you for providing the British Columbia LNG Alliance with the opportunity to speak with you today.

First, I'd like to provide you with some background on the BC LNG Alliance. The alliance came together to serve as a common voice for British Columbia's leading LNG project proponents. Our mandate is clear: foster the growth of a safe, and environmentally and socially responsible LNG industry in British Columbia, an industry that will ultimately invest billions of dollars in Canada and provide thousands of jobs to British Columbians and Canadians for generations to come. In fact, LNG projects in British Columbia have the potential to be the largest capital investment ever made in Canadian history. For this to happen, however, we must develop an industry that is globally competitive. Having access to countries with which Canada is a free trade partner can only help the competitiveness of Canada's liquefied natural gas industry.

The BC LNG Alliance is made up of eight project proponents: Kitimat LNG, LNG Canada, Pacific NorthWest LNG, Prince Rupert LNG, Triton LNG, Woodfibre LNG, WCC LNG, and FortisBC. One of the most critical issues facing the Canadian energy sector, including B.C.'s nascent LNG industry is access to new markets to offset declining North American markets. Therefore, the BC LNG Alliance is supportive of the Trans-Pacific Partnership. We also wish to recognize the Province of British Columbia's continued leadership in advocating with the federal government for better access to the Asia-Pacific region.

My comments today address three themes related to the importance of new market access provided through the TPP and other trade agreements: B.C.'s clean energy can meet the growing global demand for natural gas; B.C.'s natural gas is an integral part of the global solution to reduce greenhouse gas emissions; and competitiveness. The ability to trade energy and energy products freely is important for the energy industry. Having the capability to trade freely with the 12 countries that make up the TPP, which, by the way, also represents about 40% of global GDP, will assist Canada in potentially becoming a significant supplier of much-needed natural gas in the form of LNG to countries that need cleaner burning fuels. This is important because the demand for energy is expected to grow. The World Energy Council projects that the world's primary energy consumption will increase approximately 30% to 60% over the next 30 years, depending on population, climate policy, energy efficiency, and technological innovation.

One of the reasons that this growth will occur is because it's expected that by 2030 there will be about 2.2 billion more people moving into the middle class, and they will want access to energy. Therefore natural gas is anticipated to grow across the power, industrial, residential, and commercial sectors. While demand for

energy is growing, Canada's current markets for natural gas are significantly shrinking. While the United States has been Canada's biggest and only export market for energy, the massive increase in U.S. domestic natural gas supply has converted our most important external market to our biggest competitor. Not only is the U.S. importing significantly less Canadian natural gas, the flow has reversed in some parts of Canada. U.S. natural gas out of the eastern seaboard has replaced a significant portion of Canadian natural gas in eastern Canada. Without new markets for natural gas we will lose investments, jobs, royalties, and taxes in Canada.

On the subject of greenhouse gas emission reduction benefits, the environmental and economic case for B.C.'s natural gas is clear. The BC LNG Alliance submits to the international trade committee that the global environmental benefit resulting from a competitive Canadian LNG sector is one of the most significant greenhouse gas emission reduction policies or efforts presently being proposed in B.C. or in Canada. Furthermore, the International Energy Agency, in its latest report, says that even under the strictest of climate policies—holding temperature increases to less than 2°C—the demand for natural gas in 2040 will still account for 64% of the world's primary energy. Studies show that LNG has lower life-cycle emissions than coal, while the potential emissions reductions fluctuate moderately depending on a range of variables and assumptions used. In general, natural gas used to produce electricity results in approximately 50% less emissions than coal on a life-cycle basis.

On global competitiveness in establishing BC's LNG industry, we know that natural-gas-producing jurisdictions worldwide will compete aggressively to meet this energy demand.

● (0920)

As an example, Japan, the world's third-largest economy, is a critical export market for a range of Canadian goods from farm commodities to natural resources. Importantly for the natural gas industry, Japan would be potentially one of the biggest natural gas energy export markets among all of the TPP countries. Should one of our competitors have a tariff advantage over Canada through other free trade agreements, it would make the export of Canada's LNG less competitive, which could ultimately cost jobs and significant investment.

Finally, the construction of Canadian LNG projects will require goods and services that are not available in Canada, in particular, from Asia. If Canadian LNG projects are to be cost competitive, they cannot be subject to undue tariffs on such goods that are required and not available in this country. LNG construction in Canada will also benefit global suppliers, who will then purchase LNG over many decades, creating sustaining investment and employment in Canada. Therefore, the BC LNG Alliance is supportive of the Trans-Pacific Partnership.

Thank you.

The Chair: Thank you, Mr. Keane.

We're going to open up with questions, and we're going to start with the Conservative Party. As we know, we have five minutes.

Mr. Hoback, you're going to start off.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, witnesses, and everybody else, for attending here in Vancouver.

I want to thank you for participating. It's always good to get out to B.C.

Mr. Beck, I'm going to start off with you. You talked a little bit about some of the barriers to people understanding this agreement. You mentioned that China is somehow confused with this agreement.

What have you been doing to actually explain that? What are other associations doing to actually talk about the agreement in terms of who's in it, what it contains, and explaining it properly, so they understand the different parts of the agreement?

Mr. Stewart Beck: The easiest way to do that is by doing articles, op-eds. One of the things we do is we write frequently on the topic on our website, besides having it in the newspapers, for example, *The Globe and Mail*, *The Vancouver Sun*, and *Embassy* magazine.

We try to cover the broad spectrum of media about TPP and the different elements of it, including misunderstandings, such as China and Korea being thought of as part of the TPP, which they are not. Canadians have this impression that it covers a much broader swath of the Asian Pacific region than just the 12 countries.

That's the way we are out there trying to help people understand that the TPP is focused on the 12 countries. There are benefits to it, of course, and there are issues that people are talking about. Most recently, we've had a blog up on the intellectual property components and the misunderstandings about IP and the TPP.

One of the things that people don't really understand is the impact, it's not just goods, which Robin will talk about, going to the Port of Vancouver, but it's also services. It's a new chapter. It's a new type of trade agreement and it covers services in a much better way, but also things like e-commerce. Let's face it, e-commerce is an element that will help small and medium-sized enterprises in Canada compete in markets in Asia.

These are the types of things that you need to understand and that's part of our job to explain it.

●(0925)

Mr. Randy Hoback: When you did your polling, who was your target when you did the polls?

Mr. Stewart Beck: It's a national poll.

Mr. Randy Hoback: Is it weighted by province or by population?

Mr. Stewart Beck: It's a standard poll that we work with from a reputable polling agency. We don't do the poll ourselves. We contracted the poll. It polled 1,500 people. It was well conceived and we do a national opinion poll every year.

This year, instead of doing one national opinion poll on attitudes toward Asia, we did two polls, one on foreign direct investment from Asia and people's attitudes toward that, and the second one was on the TPP.

Mr. Randy Hoback: So you haven't done two or three years in a row on TPP to see if there's been anything on that?

Mr. Stewart Beck: We only had the deal in September, so we did this poll in November.

Mr. Randy Hoback: The other comment you made in your remarks was about the minister at the time, during the election, having to go to sign that document, or basically conclude negotiations. Now, of course, we had fixed election dates in place. Would you have preferred that he not go and that Canada not be at the table? What would you do if you were in that scenario and had the choice to make?

Mr. Stewart Beck: I think it was one of those things. Canada had to be a part of it because Mexico and the United States were part of that. We wanted to reap the benefits of an agreement with Japan, and Japan had suspended their negotiations with us on an EPA. It was in our interests to do that, ultimately.

Are you talking about Minister Fast, at the time?

Mr. Randy Hoback: Yes. But what could he do?

Mr. Stewart Beck: Yes, he had no choice on that one.

Mr. Randy Hoback: You brought up Japan. I think that's very interesting. I agree with you. If TPP for some reason doesn't go through, I'm concerned that there is no plan B, there is no negotiation with Singapore or Vietnam, or Japan for sure.

What would you encourage the government to be doing at this point in time in regard to those markets, because we have a lot of goods that would go into those markets that right now don't have a fair playing field?

Mr. Stewart Beck: Robin alluded to this in his comments. Australia has already concluded an agreement with Japan. It will put us at a severe disadvantage in relation to Japan, if we do not have that agreement with Japan as part of the TPP.

If we don't think that politically there will be acceptance of the TPP in the United States, for example, which will then kill the TPP as a whole, we should be starting now to reopen those conversations with Japan. We've gone through a lot of the exercise; we know what needs to be done. It wouldn't take that long. Nothing is ever easy in a trade negotiation, but to conclude an EPA is in our interest and it's in Japan's interest, quite frankly.

I was in Japan a week and a half ago. I had conversations with people there. Their view is that they're going to ratify the TPP to support the Americans and their approach, but the reality is, based on my own experience—I spent a third of my career in the United States—that the United States will do politically what it's going to do. My own view, which I told to the Japanese when I talked to them, was that this is one of those things whereby, if you move forward with Canada, that is what will get the Americans' interest—more so, perhaps, than ratifying.

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

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

Go ahead, sir.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): I would like to thank the panel members and would love to welcome my fellow colleagues from the House of Commons to beautiful British Columbia.

I would like to carry on with Mr. Hoback's conversation with Mr. Beck.

Mr. Beck, you mentioned the survey and that people were confused. Is it the complexity of the TPP that is confusing people?

Mr. Hoback asked you what you should be doing. I would like to ask you, what should the government be doing to get the information out, so it's reaching out to a significant number of Canadians to remove this confusion?

• (0930)

Mr. Stewart Beck: I agree, it's a very complex deal. It's a new deal, but any free trade agreement is complex.

I've been through the exercise. We've gone through nine rounds, 10 rounds with India. Again, trying to meet people and understand what the critical issues are in a negotiation of that matter is confusing even for people who are trade policy experts.

You have to deal with it at the high level. What are the opportunities that it offers Canada across a broad spectrum of areas? If you get into the single lined items and codes, I think that gets way too complicated.

The role of government and the foundation is to basically say where are those areas, where do we want to be as a country five to 10 years from now, and how will this free trade agreement help us get to where we want to go?

We talked about innovation. We talked about productivity as key. It's a fundamental plank in the Liberal platform. You're seeing all sorts of interesting things emerge because of that. If that's the case, then a free trade agreement like the TPP will help Canada move in that direction.

Yes, it's great to lower the tariffs on goods and give us opportunities. Whether it's canola in the west or pork into the Japanese market, if we don't have it, then we'll be at a distinct disadvantage.

These are things that people understand. It's the things that people don't understand. We are becoming more and more of a service industry. We actually export more services than we do goods. People need to understand that. The government should focus on those areas where we want to be five years from now and how we're moving basically not so much our society but our business environment into that direction. It's really critical for us to understand that and it's the role of the foundation and government to explain it.

Mr. Sukh Dhaliwal: To Mr. Silvester, you mentioned the TPP will help us to create more opportunity.

Could you tell me, on the waterfront side, how many jobs were created over the last five years, and what would be the impact if we ratified the TPP agreement in the coming days?

Mr. Robin Silvester: It's very tough to draw a direct correlation, but let me give you some numbers that point towards where those statistics would be.

The last economic impact survey we did formally as a port was for the 2012 calendar year, which showed that there were 100,000 jobs relating to the supply chain in the port. This is people working on the waterfront, people working on the railways, people driving trucks. As I mentioned, it showed that those jobs pay 50% above the national average wage. Since 2012, the volumes through the port have already grown by a further 20 million tonnes or so, which would be growth of around 18% to 20%. We would project opportunities to continue growing at that pace.

To pin down exactly what might happen as a result of the TPP is hard, but it's insightful to look, particularly as we talked about it a lot, at the trade relationship with Japan. Japan accounts for about 10% of the trade through the port, between 12 million and 15 million tonnes of cargo, but much of that cargo—it's interesting to look at the relationship—is metallurgical coal for steelmaking, canola, wheat, lumber, the major Canadian export commodities. Even on the import side, it's industrial automotive parts—176,000 tonnes of parts going into the manufacturing industry in Canada, further supporting the economy here.

I think it's fair to say, then, that if the deal goes ahead without Canada, or if other competitors form a deal with Japan and Canada is not part of it, there is a significant risk to the economy relating to those trade flows. Conversely, if the deal goes ahead and Canada is part of it, there is definitely continued upside for Canada relating to those trade flows.

Putting an exact number on it is hard, but I personally feel very confident that there is significant economic upside, which leads directly to well-paid jobs for Canadians.

The Chair: Your time is up. Thank you very much.

Just because some of you may not know who we're meeting with here today, we have in front of us here right now the Asia Pacific Foundation of Canada, the Vancouver Fraser Port Authority, and the B.C. LNG Alliance. In the next hour we'll have British Columbia Maritime Employers Association, the Canadian Architectural Licensing Authorities, and the Trade Justice Network. From 11:30 to 12:30 we'll have the British Columbia Cattlemen's Association, the Greater Vancouver Board of Trade, and then we'll have the Union of British Columbia Indian Chiefs. In our last hour we're going to have OpenMedia, Chris Brand, and Tom L. Green.

We're going to go back to our questioning. We're going to go over to the NDP.

Ms. Ramsey, you have five minutes.

● (0935)

Ms. Tracey Ramsey (Essex, NDP): Thank you for your presentations to the committee this morning.

There have been a lot of conversation this morning about the benefits of TPP and yet this committee has seen little evidence of that. Global Affairs presented. The chief negotiators presented. By all accounts they have no economic impact study around the Trans-Pacific Partnership. This is of concern to us, and we know they're working toward that.

The Tufts University study shows 0.2% growth to our GDP over the next 14 years. The Peterson Institute shows zero per cent growth. Nothing is being presented to us to tell us that these opportunities exist.

In your poll you say that you spoke to Canadians about being slow to embrace the TPP despite general support among Canadians for free trade agreements in general. In general we think of them lowering trade barriers, removing non-tariff barriers, and such. Do you think this is at least in part because the TPP is more of an investment deal than a trade deal, and Canadians have legitimate concerns around the amount we've been sued under such provisions, such as Chapter 11 in NAFTA?

Mr. Stewart Beck: In the context of a free trade agreement, you're negotiating both goods and services, and investment. In the context of this, when it comes to the actual benefits of the TPP in the study that you're talking about, I think you also have to take a look at other trade investments we've entered into or are in the process of negotiating.

India is a good example. The studies we did on India will add.... Both sides did their own independent studies, and both have pointed to the fact that if we enter into a free trade agreement, we'll end up increasing our bilateral trade by \$6 billion, which will create an awful lot of jobs in both economies, particularly in the Indian and the Canadian environment.

Ms. Tracey Ramsey: Yes, I think there's always this general thought that it will improve, that we'll be able to train—

Mr. Stewart Beck: But you have to take a look at the success we've had through existing trade agreements that are already in place. We've shown that they have increased certainly our standard of living in the country.

Ms. Tracey Ramsey: When we look at NAFTA, how much we've improved under NAFTA, and how it's opened us up—

Mr. Stewart Beck: Take a look at CEPA, although it hasn't been completed, and what the numbers are around that and what the studies would suggest on that.

You talk about investment chapters. It's one of those things where at the end of the day people may quarrel about Chapter 11 in NAFTA, but the reality is that we have had investment decisions in our favour. You always go to an arbitration based on the case you make. One would hope that in the way we approach things from a Canadian perspective we would be able to be successful in most negotiations, because we are an open, transparent, and rules-based economy.

Ms. Tracey Ramsey: Okay. I want to move on and ask a question around Japan. Japan has been discussed quite a bit this morning as well, and I hear that you're wishing we would actually have a bilateral agreement with Japan if the TPP ends up not happening.

One of the major concerns we've heard around Japan at this particular committee has been about the currency manipulation. Are you satisfied with the TPP's provisions on currency manipulation?

Also, what else can Canada be doing to address non-tariff barriers like this and to facilitate greater trade with the Asia Pacific? What other non-tariff barriers exist to greater Canada-Asia Pacific trade?

Mr. Stewart Beck: Who is that directed to?

Ms. Tracey Ramsey: To anyone who wants to answer.

Mr. Robin Silvester: I would say in terms of what else Canada can do to assist with trade, to pick up that part of the question. I think there has been a strong history of the federal government, both the previous government and the government before that, investing in infrastructure to enable trade, which has delivered huge benefits in terms of employment, not only in this region but also across the country.

If you look specifically, as I mentioned, at the trade relationship with Japan, many sectors are providers of strong unionized jobs, amongst other private sector jobs, whether it's in steelmaking or coal, whether it's in forestry or agriculture, all of which have benefited today from trade with Japan.

I would say there is further benefit available, and risk to the downside, if a trade agreement doesn't go ahead and yet others make those agreements.

● (0940)

Ms. Tracey Ramsey: My last question is actually to the LNG folks.

Has your group examined the ISDS provisions and their possible impact on the development of LNG products in British Columbia? Have you considered that Canada is the most sued country in the world under these provisions?

Mr. David Keane: We haven't taken a look at that, no.

Voices: Oh, oh!

The Chair: Ms. Ramsey, your time is up, and we're going to move over to the Liberals.

I'll just remind everybody that this is like a House of Commons, and the rules here are based on the House of Commons rules as far as questions and answers are concerned. If we're going to have a productive meeting today hopefully we can get through all the witnesses because we have lots of witnesses later on today, and if we're cut short then we won't be able to hear them all. I'm sure we all want to hear them.

We're going to move on to Mr. Peterson, for five minutes, sir.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, everyone, for being here.

My question, I think, can be open to anyone, and just take your turns answering it.

It seems the analysis and the assessment that's been done by all of your respective groups is comparing pre-TPP to now, or the status quo as to what will happen if the TPP comes into effect. I wonder if you've taken any analysis or given any thought to what happens if the other signatories ratify TPP, and Canada doesn't— particularly Japan, the U.S.A., or Mexico. What consequences would Canada see if that were the case?

Mr. Stewart Beck: I can start with Japan. We will be at a distinct disadvantage to Australia. They're our major competitor in that market.

Although anybody who's buying will always want to have a diversified source of supply, the majority, whether it's net coal, canola, or pork, will end up going to other markets because it's much cheaper. We'll get some of it, but we won't be able to capture the lion's share.

From a Japanese perspective, that's really quite critical. On the services side, we will get some real net benefits from being part of TPP, which we'll lose in the context of not having that agreement. It will also put in jeopardy where we stand in NAFTA with our U.S. and Mexican partners in that agreement.

Mr. Robin Silvester: Perhaps I could add something by way of example.

Talking to exporters through the port, in particular for meat products, and using the Korean free trade agreement as an example, I've heard directly from them that the fact that the U.S. signed an agreement before Canada meant that they lost market share in Korea, which they've struggled to recover since. They were very pleased to see the Canada-Korea Free Trade Agreement in place, but they would rather have seen it in place before the U.S., because of that loss of market share. It's a small example of the very real risks to Canadian exporters of being disadvantaged by differential trade agreements.

Mr. David Keane: I concur. I think that if you look at Japan, were the United States to sign an agreement with Japan ahead of Canada, clearly that is an enormous market for liquefied natural gas. It is the world's largest consumer today. I think it's extremely important for

our industry that we not bow out of an agreement that the U.S. and other trading partners are going to belong to.

Mr. Kyle Peterson: I have a few more questions, but for Mr. Beck particularly.

You indicate that the TPP will help alleviate some barriers between Canada and other Trans-Pacific Partnership markets.

Can you elaborate or just explain what some of the non-trade barriers or other barriers are that Canadian companies face when doing business with Asia now?

Mr. Stewart Beck: Well, take a look at areas in which we're quite successful in Asia. We do very well in the financial services sector. Bringing down barriers in that particular area, whether it's for our insurance companies or banks, has an impact on our economy here in Canada, because it expands the trade in those services. In legal services as well, being able to have a common rules-based approach in that particular area will be very important.

I think the good side is pretty obvious, when you see how the tariff lines will be impacted over a period of time and will increase the opportunities for fruit growers in British Columbia. It covers a broad spectrum. Seafood, of course, is another one we haven't talked about, but it's a huge opportunity.

Again, then, it cuts across a broad swath of the Canadian employment fabric. Many people are going to be net beneficiaries, whether in the services industry or working as a fisherman off a boat in Haida Gwaii.

● (0945)

Mr. Kyle Peterson: Thank you for that.

Mr. Silvester, obviously you know what the key destinations are right now for exports leaving the port. Do you see a change in destination or just an increased volume, if the TPP comes into effect?

Mr. Robin Silvester: As we look at trade flows to the Asia Pacific through this gateway, we see progressive changes, in line with the way the economies move. For example, we see increasing trade flow with Vietnam. I think if we project out into the future, in either scenario we will see increased trade flow with Vietnam, but clearly, in a TPP scenario in which there's a free trade agreement in place, there is greater opportunity. We would see both greater opportunities for trade with different partners within the TPP, as well as the overall growth opportunity with existing partners.

Mr. Kyle Peterson: Mr. Keane, you indicated that the B.C. economy would benefit from increased LNG exports to the Trans-Pacific markets. Would any of these benefits flow in other jurisdictions throughout Canada, LNG specifically, not B.C. LNG, but is there any value added?

Mr. David Keane: Absolutely, as I mentioned in my comments we're talking about the largest single investment ever made, not only in British Columbia, but if we get two or three of these facilities up and running that will be the largest ever made in Canada. This will provide tens of thousands of new jobs that will not only benefit British Columbians, but will go straight across the country. From the east coast to the west coast tens of thousands of people will be employed in this industry, either directly or indirectly.

The Chair: Thank you.

We're going to move to Mr. Fonseca for five minutes. Go ahead, sir.

Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.): Thank you, Mr. Chair, and I would like to thank all these presenters for their remarks and what you had to say about the TPP.

If the TPP were to be ratified where do you see the biggest gains would be here in B.C., and also across Canada? Also in the same vein on the counter side where do you see the pitfalls with the TPP? That's open to anyone on the panel.

Mr. David Keane: I think we'll see tremendous benefits for British Columbia.

I think it's important to point out that with regard to jobs, we will employ tens of thousands of Canadians. But it's also important to recognize that we've made a commitment to the government, and we're working closely with the British Columbian government, with the federal government, with first nations, and with organized labour in terms of ensuring that we hire British Columbians first, other Canadians second, and then we look elsewhere for the labour we need.

I think that's an extremely important point to make.

Mr. Peter Fonseca: On the negative side, on the risks, where do you see those with the TPP?

Mr. Stewart Beck: The risks if not ratified or the risks if ratified?

Mr. Peter Fonseca: Who would be negatively affected in B.C. or in Canada—what groups, what sectors—if ratified?

Mr. Stewart Beck: If ratified, it won't really have a tremendous impact on the traditional sectors. People would say the automotive sector might be impacted because of the agreement that's done with the Japanese, but if you take a look at the assemblers and then you take a look at the tier one and tier two suppliers, tier one and tier two suppliers are global and will benefit dramatically from having a TPP.

The question is, where's the balance there? On the automotive, there could be some risks, but that's really on the assembly side, but not so much on the tier one and tier two supplier side. That's what you have to keep in mind.

It's obviously going to help our traditional exporters of commodities, so the big net gainers by having a TPP would be coming from the Prairies and B.C., and in some cases the Atlantic provinces as well. As I said earlier, it's where you want to be five years from now.

As we know, more and more is going to be done using online and e-commerce services. You want to have an agreement that captures

those and makes it easier from a customs and border perspective to get products back and forth.

This is what we have to understand. It's not necessarily about today. It's about where we want to be five years from now.

Mr. Peter Fonseca: Thank you, Mr. Beck. My next question is for Mr. Keane.

Since the Fukushima nuclear disaster, Japan has become dependent on coal and LNG imports. With the United States set to be a net exporter of natural gas by 2018, where do you see BC LNG Alliance benefiting under a ratified TPP agreement?

• (0950)

Mr. David Keane: It puts us on a level playing field, number one, with the United States. As I mentioned in my comments, our biggest market for natural gas exports is becoming our biggest competitor.

Japan will want to ensure that it diversifies its supply mix, so it is not going to buy all of its LNG requirements from the United States. I'm hopeful, and I firmly believe, that it will be buying some of its natural gas supply from British Columbia.

Mr. Peter Fonseca: Mr. Beck.

Mr. Stewart Beck: If we think where Canada, from a global perspective, has a strategic advantage in the context of Asia, we aren't involved in what I would call traditional security, but we can get involved in non-traditional securities. If you're in a place like Japan, energy is critical and they have no source or supply of their own, and they don't want to be wed to the natural gas coming from the Middle East and the gulf because of the issues around the Strait of Malacca. This is becoming more of a strategic issue from the southeast perspective.

Canada, and B.C. in particular, is 12 days shorter a cruise to Japan than it is to the United States. Plus, the gas that's coming out of the U.S. is coming out of Louisiana, so it would have to go through the Panama Canal. This is something we have to keep in mind, if we want to have a non-traditional strategic role in the Asia Pacific.

Mr. Peter Fonseca: Again, on the gas, if the TPP is ratified and comes into force, there are those in the environmental community who see that one of the potential consequences could be an increase in fracking.

Can you please explain what this is, and how do you address these claims?

Mr. David Keane: I think there will be an increase, and today I believe 60% or 70% of the natural gas supply into the Lower Mainland of British Columbia is coming from shale gas that is having to be hydraulically fractured to produce. There will be an increase, but it can be done and is done every single day very safely and in an environmentally sound manner.

I think if you look at what's been done over the years in terms of hydraulic fracturing, which has been taking place in British Columbia for over 60 years, there's never been a significant issue. There's never been anything that has been confirmed in terms of water contamination, or air contamination, so I think—

The Chair: Sorry, sir, your time is up.

We have to move on. Thank you for the question.

We only have time for one more round of questioning. I think we're going to go back to the Conservatives.

Mr. Ritz, you're up the last five minutes.

Hon. Gerry Ritz (Battlefords—Lloydminster, CPC): Thank you, gentlemen, for your insightful presentations here today.

Like it or not, we're a country that's involved in global supply chains, and they're very important. You've made the stipulation that, should we sit on the sidelines and allow TPP to be ratified and not be part of it, the benefits we've seen in NAFTA and other agreements that we have would be eroded.

How quickly do you think we'd see that erosion?

Mr. Robin Silvester: I will perhaps go back to the example with Korea, in which I think the erosion could be fast—measured in a small number of years. Just seeing that example of Canadian beef exporters losing market share very rapidly in the Korean market was quite striking to me.

I can't speak from the standpoint of an economic analysis in general terms, but I can speak with a specific example that I think cautions us that it could be fast.

Hon. Gerry Ritz: The point has also been made that we should be pursuing a bilateral agreement with Japan. I fully believe in that myself. I think that it's very important that we do that, not only as a plan B, but also as a backup. Even if we have a bilateral agreement, we could also have a multilateral agreement, and there are certain things that could be addressed in that.

The bottom line is that there seems to be an idea in Canada that we should wait for the U.S. to ratify, rather than moving ahead. I know Japan is looking at presenting it this spring. Australia and New Zealand have already done that. Chile is on the way. I have talked to the Mexicans; they're doing it as well.

Is there any reason that we should be holding off, waiting for the Americans to ratify before we do?

Mr. Stewart Beck: Ultimately, I think we have some time to have the conversations that we're having today, for example. I think that's a healthy thing to do.

Hon. Gerry Ritz: Great.

Mr. Stewart Beck: Whether or not everybody agrees, I think fundamentally, people will need to understand that it's in our collective interest going forward. To build on Robin's point, we do not want to be at a disadvantage, because this impacts people's jobs here in Canada, or will.

Hon. Gerry Ritz: As a former diplomat too, Mr. Beck, I'd like your opinion on how fundamental a fulsome ISDS clause is. You've been on the ground where Canadian business has sort of hit the wall with the government, and we've had the same situation here. How important is that? How fundamental is that for investment and growth going forward?

Mr. Stewart Beck: It's very important in emerging markets because what you want are rules of the road that are understood, and everybody abides by them. So when you're dealing in markets like China and India, which are two priority markets for the government, you'd like to have an ISDS-type of arrangement where you could go

to an independent arbitration as opposed to having to deal with the vagaries of the judicial system in the other countries.

It's a net gain benefit for us in a place like India, for example. It's not that the legal system is bad in India. It isn't, if it gets to the judges. But the problem is, it's how long it takes for the case to get to where it has to go. When you have a process that is more open and transparent and where you have an independent judicial system, that's fine.

● (0955)

Hon. Gerry Ritz: Trade depends on two things: predictability and stability for businesses to invest either here domestically to access a market, or to invest in that market to help access back to Canada.

One of the strengths that Canada showed through the recession in 2008, and ongoing as we struggle to get back up to strength, is the diversity of what we offer as a country. That's been alluded to here. We're a huge agricultural resource. We have resources like potash and coal and timber. We also have the energy sector. All of these are predicated on access outside the country. None of them could survive for very long if all we had was domestic supply. I know when it comes to agriculture we export between 50% and 90% of what we produce and, Robin, you made the point about you're up about 100 million tonnes going out through the Port of Vancouver. A lot of that is grain and cereal crops, oilseeds, and so on. Of course, those are going into a lot of that TPP marketplace and could certainly do better.

Are you starting to see a demand for the Vancouver Port Authority to have a bigger footprint? I know G3 is looking at construction here. Others are already growing, and I'm just talking about agriculture. I know the coal sector, the potash sector, are all looking to expand their footprint here to access these markets.

Mr. Robin Silvester: Absolutely. Last year, about 138 million tonnes moved through the port; around 25 million tonnes of it was grain and specialty products, moved both in bulk and in containers all around the world. We are seeing continued interest in investment from Canadian exporters. Whether it's G3 exporting grain in bulk, or Kali und Salz starting up their potash facility near Regina and exporting potash, or exports in steelmaking coal, or across the board now in containers, there's strong demand.

The Chair: Thank you, Mr. Ritz.

We have about three minutes left. We have two MPs who didn't get to ask questions or have sufficient time, so Mr. Van Kesteren, if you want to have a question posed to the panel, and the same with you, Madam Ludwig, state your questions and then they can answer them. Then we will wrap it up in a couple of minutes.

Thank you.

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

I want to go to the LNG panel. When first elected back in 2006, I remember peak oil were the buzzwords of the day then. There was a radical change, and Mr. Fonseca has indicated correctly that in Japan they've moved away from nuclear as a primary source to fossil fuel and, of course, the one that would be most advantageous and that most would agree to would be natural gas.

In my neck of the woods, southwestern Ontario, you're right in saying that we have started to import natural gas from the United States.

I've had the privilege of actually chairing a natural gas committee for the last eight years. The advancement has been radical, to say the very least, but we are having increasing difficulties getting that product to market.

We spoke years ago, I would say three or four years ago, of a window of opportunity. At what point does that window close for Canada in exporting natural gas?

Mr. David Keane: When you look at the projects that are being developed in British Columbia, it takes four to five years for these facilities to be constructed. If you look at where we expect demand and supply to be in the next decade, 2025, we expect there to be about a 75 million supply shortfall.

I think we're right in the sweet spot in terms of developing our LNG projects in British Columbia that will then supply the world.

The Chair: Thank you.

Ms. Ludwig.

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

My question is related to a business case. Certainly all of you have expressed support for TPP, taking it from a business position. So, if we're looking at strengths, weaknesses, opportunities, and threats, you have identified the strengths.

Many constituents in my riding have asked questions related to the TPP about human rights and the environment. If we're focusing on opportunities and threats, how would ratifying TPP affect human rights and the environment?

• (1000)

Mr. David Keane: I'll start off. I think if you look at the supply of natural gas, natural gas has a lower carbon footprint than coal. If we can replace coal-fired power generation, for example, in Japan or in Korea, or even in China, then we can reduce greenhouse gas emissions by about 50%.

That has an enormous benefit. If you look at British Columbia, we account for two one-hundredths of a per cent of global greenhouse gas emissions. I think if we look at what we're trying to do, which is reduce global greenhouse gas emissions, we have an opportunity to help benefit the world in terms of reducing global greenhouse gas emissions.

The Chair: Does anybody else have final comments?

Go ahead, sir.

Mr. Stewart Beck: On the trade and human rights side, one thing that you have in a trade agreement is a set of codified rules and

regulations around which you operate. Once you start building in various elements, that will improve the situation where it's environmental or human rights.

Tomorrow, we're running a session at the Asia Pacific Foundation of Canada on trade agreements and the impact on human rights. There is a correlation in the context of making people abide by a set of rules that will guide how they operate in the various economies.

The Chair: Thank you very much, sir.

I wish to thank the witnesses for coming and the good turnout here today.

We're going to suspend for 10 minutes and will return with a new panel of witnesses.

• (1000)

_____ (Pause) _____

• (1010)

The Chair: This commences our second panel for this morning in beautiful Vancouver, British Columbia.

We had a very informative first hour, so let's have a very informative second hour.

Welcome, witnesses.

This is the first trip for the standing committee. This is our first stop, British Columbia. We are going to go right across the country, and we are also going to be doing the territories via satellite from Ottawa.

We are going to be taking submissions from anybody in the public until the end of June, and then we will be going through them. Hopefully, we are going to have a report done before the end of the year and put it in front of the House of Commons so that Parliament will vote on it in the upcoming year.

It's very busy. We had 6,000 submissions from the public last week, and I think we are up to 10,000 now. It is good to see the Canadian public very engaged in what is happening.

This is an important agreement. It's a trillion dollars' worth of trade here. It's one of the biggest trading blocs.

It is not up to us, as parliamentarians here today, to decide if we are doing it or not. We are here to listen, and we are glad the witnesses came.

The witnesses have about five minutes to present their briefs. When all the witnesses are done, we'll open it up for questions from the members of Parliament.

We are going to start with Mr. Duggan from the British Columbia Maritime Employers Association.

• (1015)

Mr. Terry Duggan (Acting President and Chief Executive Officer, British Columbia Maritime Employers Association): Thank you very much committee members and Mr. Chair.

My name is Terry Duggan. I'm CEO of the B.C. Maritime Employers Association. I'm joined today by my colleague Eric Waltz, who's a member of the board of directors of the BCMEA, and is also the CEO of GCT, the largest container terminal operator in Canada.

BCMEA represents 58 companies on the west coast of Canada. These companies are involved in the terminal operations of the various ports and represent the shipowners and ship agents calling on those ports. BCMEA provides the labour relations, recruitment, and training for their employees.

In 2011 we signed a historic eight-year collective agreement with the International Longshore and Warehouse Union. That gave us a significant advantage over our competitors on the U.S. west coast. The 6,000 longshore workers covered by that collective agreement work at Canada's Pacific ports, from the Lower Mainland to Prince Rupert and Vancouver Island.

One of our key economic indicators in the industry is how many hours are worked in a calendar year. In 2006, 2007, and 2008, we worked about six million hours in each year. When the global recession hit in 2009, we lost about 20% of that volume, but we're back. We've regained all of that and more. We reached eight million hours worked for the year that just ended, 2015.

From six million before the recession to eight million hours after the recession, those two million additional hours represent about 1,300 full-time-equivalent jobs in the waterfront industry. These are not minimum-wage, service-industry jobs. These are family-sustaining jobs with pension plans and dental coverage.

There are other family-supporting jobs up and down the supply chain, such as rail workers, miners, prairie farmers, and so on. All of this is possible because Canada is a trading nation. The BCMEA supports the Trans-Pacific Partnership because it opens markets for our customers, hard-working and innovative Canadian men and women who produce goods that the world wants and needs. Should Canada be left out of the agreement, our globally competitive firms would not have access to important Pacific markets. Canadian goods produced by Canadian workers would be at a disadvantage. That would mean fewer jobs on the waterfront, and fewer jobs for our customers across Canada.

If brought into effect, the TPP is especially good news for B.C., given our geographic position and our deep existing relationships with the markets in the participant countries.

All trade agreements contain some uncertainty, and we understand that there are sectors in the Canadian economy that have real concerns, but there's uncertainty in not ratifying the TPP and being left behind. There is uncertainty for communities like Prince Rupert, which has seen an astounding economic recovery since the massive investment in its container terminal back in 2007.

On balance, the TPP represents an opportunity that we believe Canada cannot afford to miss.

I'm going to turn the presentation over to my colleague Eric Waltz to talk about the impact of a healthy and growing Pacific gateway.

The Chair: Mr. Waltz, you have two minutes.

Mr. Eric Waltz (President of Global Container Terminals, British Columbia Maritime Employers Association): As Terry said, I'm president of Global Container Terminals. We're the largest container operator in the country. We move about 40% of the containers for the country.

When we look at it, the exports to TPP markets between 2012 and 2014 were valued at more than \$366 billion. While these numbers are impressive, I'd like to get down to a number that's a little bit more meaningful to people. Just our company alone pays \$329 million in salaries. That supports 2,000 person-years of work. These are well-paying unionized jobs.

I'd like to pick just one example to give everybody an idea of what we're looking at here. If I just look at lumber exports, right now our lumber exports for Canada face a tariff of 10% to Japan, 31% to Vietnam, 40% to Malaysia. When we look at this, there's an opportunity to open up a lucrative market of 792 million consumers through the TPP nations when we're just looking at the lumber.

When I talk about the \$329 million in salaries that we have at our company, that's just the last portion of the supply chain. That doesn't include the supply chain and the jobs created from getting trees down, processing them, putting them on the rail, and moving them to whichever port is going to export them. It doesn't count the jobs for the stuffing. It doesn't count the jobs for the trucking to bring it back to the terminal. I'm just giving the one piece of the supply chain that we have.

It's a tremendous amount of economic growth and opportunity for Canada.

Thank you.

• (1020)

The Chair: Thanks very much, and thanks for being on time.

We'll move now to the Canadian Architectural Licensing Authorities.

We have two gentlemen with us, Mark Vernon and Scott Kemp.

Mr. Kemp, you are leading off. You have five minutes.

Mr. Scott Kemp (Past President, Architectural Institute of British Columbia, Canadian Architectural Licensing Authorities): Good morning, Mr. Chairman and members of the committee.

My name is Scott Kemp. I am a member of the international relations committee of CALA, which is the Canadian Architectural Licensing Authorities. I'm a practising architect here in B.C. and am the immediate past president of the Architectural Institute of B.C., the AIBC.

With me is my colleague Mark Vernon. He is the CEO of the AIBC and is also, with me, a member of the international relations committee.

I'd like to thank the committee for giving CALA the opportunity to discuss this morning the Trans-Pacific Partnership.

To begin, I want to give you a little background on how our profession is organized in Canada. The Canadian Architectural Licensing Authorities, CALA, represents the 11 regulators—the 10 provinces and one territory. We set the standards for entry into the profession and issue registration of licensing to those individuals who meet the standards of practice.

The regulators individually regulate the practice of architecture in order that the public interest is protected within their province or territory. Through CALA, the Canadian architectural regulators work collectively. We do that to set national standards and programs that meet the regulatory duties as well as satisfy the needs of the profession. In Canada we have full reciprocity, so that as an architect I am able and willing to be licensed and to work in any jurisdiction in Canada.

Architecture is very much an international profession, and we believe that the movement of architects between countries and economies is hugely beneficial to residential, commercial, and industrial sectors, but good for the profession. We're a profession of ideas. Sharing of many ideas is beneficial. We are very active in negotiating mutual recognition agreements for reciprocity—licence sharing—on the international stage. Again, this enriches our profession, but it also enriches the public's awareness and appreciation of architecture, and it results in a better-built environment.

I am very pleased to say that Canadian architects are recognized around the world as being some of the finest architects, and my colleagues have been responsible for many groundbreaking and internationally acclaimed buildings.

The international relations committee represents CALA at all the international meetings and develops and monitors agreed MRAs. What we have at the moment is a mutual recognition agreement between Canada and 42 of the states of the United States; we have a tri-national agreement between Canada, Mexico, and the United States—this was done under NAFTA—and just last year we signed a mutual recognition agreement among Canada, Australia, and New Zealand. That was done under the umbrella of the APEC architect project.

These three MRAs are monitored by a joint monitoring committee. They are structured, and the responsibilities are predetermined and are part of the MRAs that have been negotiated.

I'm very pleased to announce that we're also working very closely with ACE, the Architects' Council of Europe. We are very confident that we'll have an agreement that we can ratify when CETA is ratified next year. That's very big news for us.

To accomplish these agreements—the tri-national, the APEC, and the ACE initiative—we'd like to acknowledge that we have received funding from Employment and Social Development Canada and that this was done under the guidance of Global Affairs Canada.

Now I'd like to focus a little bit on the Trans-Pacific Partnership and the way it relates to our profession.

• (1025)

The Chair: You have one minute left, sir.

Mr. Scott Kemp: I'll jump ahead.

The TPP in place would facilitate us in negotiating more of these MRAs. Last year we had discussions with Japan, and subsequently they've indicated they would only move forward with the MRA once the TPP has been ratified.

We also have had negotiations with Singapore, but Singapore has a restrictive residence requirement, and we believe that with article 10.6 that residence requirements will not be applicable. So it would allow us to continue those negotiations.

CALA would like to confirm and get the government's assurance that this professional working group does not see the transfer of regulatory responsibilities to other bodies. As mentioned, for all current MRAs with the United States, tri-national, Canada, Australia, New Zealand, the monitoring committees are established and tasked with the responsibility of overseeing the terms of the MRA.

We'd expect that any problems identified with the working group would be shared with the monitoring committee for a resolution.

Thank you.

The Chair: Thank you, sir, and thanks for coming.

We're going to move on to the Trade Justice Network and we have Mr. Blair Redlin. Go ahead, sir.

Mr. Blair Redlin (Co-Chair, Trade Justice Network): Thank you, Mr. Chair, and good morning to the members of the committee. Thanks for this opportunity.

My name is Blair Redlin. I'm a Vancouver-based public policy researcher and co-chair of the Trade Justice Network, which is a network of union, environmental, farm, and other civil society groups that raise awareness in English Canada about trade agreements like the proposed TPP and the Canada-EU trade agreement. We work closely with our Quebec partner network, RQIC, the Quebec network on continental integration.

Inasmuch as 97% of Canadian exports to TPP countries are already duty free, it's our view that the proposed Trans-Pacific Partnership is mostly an investor protection agreement, which should be primarily assessed on that basis.

The arguments that this is about trade versus no trade and whether we're in favour of trade or not are sterile arguments, in our view. Of course Canada is a trading nation, and we need to continue to trade. That's not, in our submission, what these agreements are primarily about.

It's also an important context that the TPP was negotiated by the recently defeated former government and was concluded in the midst of the last federal election campaign. Many Canadians who voted against the last government had the TPP as one of their reasons.

It's also important to note that the TPP is in considerable political difficulty in the United States right now, with major presidential candidates for both parties opposing it, and with very considerable opposition in Congress as well. It's not clear that the TPP will be ratified in the U.S. within the two-year ratification window. There's considerable civil society opposition in many other TPP countries as well, with New Zealand and Peru as two notable examples.

Given all that uncertainty, there's certainly no need for Canada to be rushing with regard to this. We should assess this very deliberately and very carefully.

It's concerning to us that the new Canadian government has not yet commissioned any kind of thorough economic or environmental assessment of the impact on Canada of proceeding with this deal. We recommend that the government proceed immediately to commission a comprehensive and independent public study of the likely economic, environmental, social, and community impacts of such a wide-ranging and potentially significant agreement.

Our network recently joined with the University of Ottawa and the Communications Workers of Canada to sponsor a one-day forum on the TPP at the University of Ottawa. Amongst others at the event, we heard from Nobel Prize-winning economist Joseph Stiglitz, who characterized the TPP as "the worst trade deal ever".

We additionally heard from Tufts University research fellow Jeronim Capaldo, who is one of the authors of a thorough study of the economic impacts of the TPP recently published by the Tufts globalization and environment institute. Among other findings, the Tufts report found that Canada is likely to suffer a net loss of 58,000 jobs if it enters into the TPP. The study also found that by 2025 the TPP will result in greater income inequality in every one of the TPP countries as it transfers wealth upwards. A loss of jobs and an increased inequality are the opposite of what most Canadians were seeking in last fall's election.

The potential for such results calls out for further independent studies.

The investment chapter of the proposed TPP includes the very controversial investor-state dispute settlement system, something we in Canada have considerable experience with since the advent of the NAFTA in 1994. This system permits foreign investors to sue elected national governments for policy or legislation that the investors argue may limit their potential future profits.

It operates by means of secretive and unappealable commercial arbitration panels, rather than the domestic court system that the rest of us must rely upon. Investor-state arbitrators are empowered to award monetary penalties against participating governments. ISDS provides extrajudicial protection to foreign investors that are enjoyed by neither domestic investors nor us regular citizens.

Canada is now the most sued developed country under ISDS. There have been 35 investor-state claims against Canada under NAFTA, and the number continues to grow. We've lost six claims and have paid out more than \$200 million in taxpayers' money in penalties. Canadians have also paid out tens of millions of dollars in legal fees in defending these claims.

Environmental policies, such as our ban on the gasoline additive MMT, our ban on exports of hazardous waste, provincial water and timber protection policies in Newfoundland, and research and development requirements in the Exxon Mobil case have all been successfully challenged. Meanwhile, we face very considerable new challenges with claims in the billions of dollars. Since time is short, I won't go into those.

• (1030)

The Chair: You can just wrap it up, but you're doing fine. Go ahead.

Mr. Blair Redlin: We have very significant court cases that we're facing. As NAFTA expands into the TPP with the addition of nine more countries, Canada runs the risk that our negative investor-state experience with NAFTA will expand several times over as well. If the TPP goes ahead, we'll soon be sued for our public policies, not only by U.S. and Mexican corporations but by corporations based in countries like Japan, Australia, Chile, and Malaysia as well. It's not clear why we want to do that, and it's also unclear what all these investor protections have to do with the promotion of trade, in any event.

I've more to say, but I'll cut it off there, sir.

Thank you.

The Chair: Thank you to all the witnesses for your presentations.

We're going to go through questioning with five minutes each. We're going to start off with Mr. Hoback from the Conservative Party.

Mr. Randy Hoback: Thank you, witnesses, for being here this morning.

Mr. Vernon and Mr. Kemp, it's interesting. You're probably looking at the service industry in your sector, and it's interesting to listen to you. The IP provisions in TPP, how important are they to your sector?

You've been able to countries such as Mexico and the U.S., Australia and New Zealand. You said you're doing something with Europe and then TPP. How important is that for the growth of your sector here in Canada?

Mr. Scott Kemp: It's critical. Again, we believe that we have a very strong skill set in our members and would benefit greatly by having that fair opportunity across other countries. The existing MRAs that we have show the benefit of it. As I mentioned, the TPP would allow us to negotiate with some countries that we haven't been able to so far.

Mr. Randy Hoback: How does that work? If I'm an architect based here in Vancouver and I want to do a building in Singapore, right now I can't do it. I'm not a resident there; I can't take on that contract, but I could in Mexico and the U.S. because you've got the reciprocity, the ability to go down there and actually do that type of work. Is that fair to say?

Mr. Scott Kemp: That is correct. With those MRAs, you can gain licensure in those jurisdictions. There is full reciprocity. As an example, in Singapore, you can get a licence, but you can't submit a building permit unless you have residency. Then you are basically hooped. The TPP would remove that, so you would have full, unfettered reciprocity between the two countries.

Mr. Randy Hoback: If you are doing a major project in another country, would you go to that country and do all the work there, or would you basically do all the work in Vancouver, because it's all drawings? It is basically design work, if I am correct. That would bring more employment here to British Columbia and to Vancouver in this scenario.

• (1035)

Mr. Scott Kemp: Very much so, yes. Again, we deal with things electronically. We transfer everything electronically. I do a lot of work on the island. It is all done electronically, whether I do it from Vancouver Island or from a country overseas. It works very fluidly.

Mr. Randy Hoback: It doesn't matter anymore, does it?

Mr. Scott Kemp: No, it doesn't at all.

Mr. Randy Hoback: My son works in the U.K., and I talk to him more on Skype than I did when he lived at home. It's funny how that goes these days.

Mr. Scott Kemp: Yes, it aided our profession greatly.

Mr. Randy Hoback: When we talk about IP protection, then, you design a new building, and you want that protected. You want to make sure that you have your blood, sweat, and tears—the work you put into those drawings, into that creation—protected. Do you think it is fairly important to have this in the agreement?

Mr. Scott Kemp: Oh, yes, that's critical. That's what we like to do. Those are our skill sets. That's what we're providing, so the ability to maintain that ownership is critical.

Mr. Randy Hoback: Mr. Waltz, you gave us an example of a direct impact to the number of containers you are moving. Now, if we don't sign this deal, let's say we're not involved with it, what would be the opposite effect? And if we weren't in NAFTA, if we weren't in some of the previous trade deals that we've done in the past, what would you look like today if those had not come to fruition?

Mr. Eric Waltz: I think if you look at that, for us, we're completely reliant on trade. Anything that would be an impediment to trade will see it drop drastically. For instance, if this wasn't ratified, and then other peoples have easier markets to go to, we could easily see a situation like we saw with the 2008 numbers that dropped. You can easily see two million hours' worth of work that disappear.

When we're talking about that, because those are the numbers I have to give you, that's only our industry, and we're just the last leg of it. That doesn't account for all the job loss across the country.

Mr. Randy Hoback: It's important that you have that market access, and that you have that level playing field with your global competitors. Is that not fair to say?

Mr. Eric Waltz: Absolutely. It's important for us. It's important for all the ILWU union people we employ. It's important for all the

industries that support the waterfront, all the maintenance, and everything that goes with it.

Mr. Randy Hoback: If they weren't there, and if this wasn't happening, there would be nothing happening on the waterfront.

Mr. Eric Waltz: Correct. We would have a chance to see those exports go down, to see those hours go down, and the reverse is true also. If we can open up those markets, we see a great opportunity for economic growth. I only took lumber. I only took one market because I had good facts on that, and to me it's nice to look at real numbers and real jobs.

Mr. Randy Hoback: Mr. Duggan, you talked about potash and about other goods that are also being shipped through the ports. If we don't have that type of market access, the potash mines of Saskatchewan might as well shut their doors. Farmers might as well just take their fields and turn them back to grass and buffalo.

Mr. Terry Duggan: Our major competition is the U.S. west coast. Shipping is a very flexible industry. Those ships can call at Seattle, Tacoma, Portland, L.A., and Long Beach instead of Vancouver or Prince Rupert. It's a very, very mobile industry.

The Chair: Thank you.

We'll go to the Liberals now for five minutes.

Mr. Peterson, go ahead, sir.

Mr. Kyle Peterson: Thank you, gentlemen, for being here.

My first question is for Mr. Kemp, with the architects.

It's often been said that trade agreements only open doors to other countries. What sense do you have of your membership in terms of actually walking through that door if it were opened? Have you spoken to your members? Is there some consensus that this is a market worth pursuing for our architects here in B.C. and across Canada?

Mr. Scott Kemp: Yes. Many of our members are already working overseas. This only aids that and increases the markets that are available.

Again, as I mentioned earlier, we have a skill set that's highly valued around the world, and to be able to have the opportunity to design overseas is... every architect would love to do it.

Yes, there is, very much so.

Mr. Kyle Peterson: I'm having some trouble understanding. Maybe you can elaborate. What would be new with the TPP that isn't there now, if your members are already accessing those markets? What is the mechanism that would improve the situation under the TPP?

Mr. Scott Kemp: The TPP mentions the APEC architect project, so it's actually complementary to it. We aren't very active with that project. We hosted the APEC summit here in Vancouver in 2014. Mark and I are going to Malaysia in the fall of this year.

It's actually complementary. It helps us. As I mentioned, we've had challenges in some countries with their rules and regulations. The TPP would assist us overcome those barriers.

•(1040)

Mr. Mark Vernon (Chief Executive Officer, Architectural Institute of British Columbia, Canadian Architectural Licensing Authorities): A clarification, if I may, with regard to Canadian architects working abroad in countries where there is not recognition of the licensing.

In essence they work behind the scenes. They cannot take the lead in the project, they do not get the credit for the project, and consequently they cannot bring any of the work back to Canada working on the project. They will do it in consultation or in conjunction with a local firm.

Mr. Kyle Peterson: Thank you for that.

I have a couple of quick questions for you, Mr. Redlin.

You pointed out there hasn't been a full economic assessment yet of the impact of the agreement on Canada as a whole. There have been, as we all know, a number of studies showing both the benefit and the detriment, and showing either a net positive or a net negative effect on the country as a whole. If there is an assessment showing this is a net positive for Canada, will your group support the agreement?

Mr. Blair Redlin: I guess it's a matter of net positive in what regard? Part of what I've been trying to point to is that I don't think the economic case has been made, and that the detailed study we do have available has indicated the loss of 58,000 jobs.

We're familiar, for example, with environmental assessment processes on things like resource projects. They are much more extensive in terms of the assessment that is done of the economic and environmental impact of a single project than has been done with regard to the TPP. It seems to me incumbent on the Government of Canada to at least devote that level of attention, energy, and resources to studying an agreement that Nobel-Prize winning economists and independent researchers are indicating may be damaging for our economy.

Mr. Kyle Peterson: It also seems to me that a lot of the analysis is assessment as between a non-TPP and a TPP. But I think it's incumbent on us, as the federal government, to assess the consequences of not being in the TPP if the TPP were to exist.

Maybe I'll start with Mr. Duggan and Mr. Waltz. If your organization has taken a look at it, what impact would that have on you?

I know we're short for time, but if anyone wants to chime in after, I'd be happy to hear your thoughts on this as well.

Mr. Terry Duggan: I think one of the best examples is the amount of U.S. cargo that moves through Canada on its way to the States. That cargo is referred to as discretionary cargo. LA Long Beach, of course, is the giant among container terminals on the west coast, in terms of volume. Every ship that calls in a B.C. port instead of a U.S. port brings with it hours of work and hundreds of jobs. Not participating at a time when the U.S. is participating would severely disadvantage us in that regard.

The Chair: Sorry, maybe they can chime in at another time. Time's up for the Liberals.

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

Ms. Tracey Ramsey: The first thing I'd like to do that I didn't do in the first panel is to acknowledge that we are on unceded Coast Salish territory.

I think this panel has really been having a conversation about good jobs. I hear that your particular association provides good-paying jobs here in the region. Canadians are really struggling. They're looking for these good jobs across the country. They're piecing together two and three part-time minimum wage jobs. We're being driven down. Losing 58,000 good-paying jobs would have a massive impact on Canada.

Mr. Redlin, you mentioned that our wages are being driven down. Minimum wages right now in Vietnam are 60¢ per hour. In Malaysia, they're \$1.18. In Peru, they're \$1.27. These are extremely low poverty wages. We've been experiencing the driving down of wages in Canada resulting in low minimum wage and precarious work becoming the standard, which has resulted in staggering income equality and poverty. Can you speak a bit more about the agreement with low-wage countries and the impact that will have on Canadian workers?

Mr. Blair Redlin: Thank you for that question. I think it's a very good point.

Agreements like this will very much advantage those corporations that wish to compete on the basis of cheap labour or lower standards. We saw the experience with NAFTA of good-quality manufacturing jobs going to a lower-wage jurisdiction in Mexico, from both Canada and the United States, and then those companies leaving Mexico and moving to China and to Vietnam and others competing on the basis of lower wages.

I don't think that's a basis that Canada can compete on successfully. I'm concerned about those aspects of the TPP. These countries have very limited labour protections and labour rights.

We have experience here in British Columbia with this as well. There's often a lot of discussion about the manufacturing heartland of Ontario and Quebec, but many of us here in British Columbia remember prior to NAFTA when we had a thriving fish processing industry in this province. That has essentially, for all intents and purposes, disappeared. We used to have a thriving garment manufacturing industry in this province.

I think the other thing this kind of a deal does is that it makes us more dependent on raw resource extraction and export. That's been the tendency in Canada since NAFTA, and I think Canada will have to position itself as even more resource-dependent if we go into this kind of an arrangement.

•(1045)

Ms. Tracey Ramsey: You mentioned the many environmental challenges we've faced under Chapter 11 in NAFTA. Sometimes we've been sued when trying to sustain and protect our environment here in Canada. We're trying to address the issue of climate change and meet the Paris target. How will ISDS provisions affect our ability to implement those goals when it comes to our environment?

Mr. Blair Redlin: To the extent that corporations from the TPP zone feel that we are taking measures to deal with climate that reduce their potential for future profit, then we face lawsuits.

We're facing new environmental lawsuits now. A well-known one is by Calgary-based Lone Pine Resources, which is suing Canada under NAFTA because it's registered in Delaware, even though it does all of its business in Canada. This Canadian or American company is suing us under NAFTA because of the moratorium on fracking in the St. Lawrence valley in the province of Quebec.

That is an example of how this investor-state system is fundamentally challenging our democracy, because in that example in Quebec, the Parti Québécois ran in an election campaign and said they would like to implement a fracking moratorium. They won the election, they implemented the moratorium, and they fulfilled their campaign promise. Now we're facing a \$250-million lawsuit.

We will face more examples like that, I would predict.

Ms. Tracey Ramsey: In February we had Canada's chief negotiator for CETA testify before this committee, Steve Verheul:

Domestic courts have no authority to adjudicate obligations in international treaties. If we're going to have any kind of form of redress for breach of an obligation in the investment treaty, we'd have to go to some other mechanism like an investment dispute resolution process.

A few weeks after this, the Canadian government announced a revised ISDS mechanism for its CETA, claiming they strengthened the sovereign right of democratically elected government to regulate, including in essential areas such as the environment and labour. Could you comment on the claim that domestic courts have no authority to adjudicate obligations in international treaties, and do you believe there is a difference between the ISDS mechanisms in TPP and CETA in terms of strengthening the rights of government to regulate in areas of public interest?

The Chair: Sorry, Ms. Ramsey, your time is up.

I have to remind all members of Parliament: Be careful loading up your question because if there is not enough time for the witness to answer it, you will have to wait for the next time around. In fairness to everybody, I just remind everybody to keep the questions short so the witnesses can have enough time to answer. Maybe there will be another time, in another round, to answer those questions, but we have to move on now.

We are moving on to the Liberal Party, and we have Mr. Fonseca for five minutes.

Mr. Peter Fonseca: Gentlemen, thank you for your presentations and your insight.

My first question is for Mr. Kemp.

Mr. Kemp, an industry such as yours, in the service sector, could potentially see great gains through a fully implemented TPP agreement. Where do you see the biggest gains in such an environment? You can talk about your sector, but you can also talk about others. You already have agreements with a number of countries within the TPP—with Australia and New Zealand. What other countries within the TPP...? Where do you see these gains?

Mr. Scott Kemp: An example is Japan. Mark and I went to Japan last year to meet with them to talk about an MRA, a mutual

recognition agreement. They subsequently came back to us and said they would not do anything until the TPP has been ratified. That negotiation is now on hold subsequent to this process.

Again, we believe very strongly that we have a strong skill set in our architects in the country. It is a skill set that is recognized around the world. We're very active in doing that and, again, the TPP would help us in that process that we're already well engaged in.

• (1050)

Mr. Peter Fonseca: To maximize these potential opportunities in your sector and the service sector, are there any barriers in front of us that are beyond the TPP? Would it be innovation or how we're doing things, how we do business?

Mr. Scott Kemp: Not so much barriers, but opportunities. My colleagues are some of the leading designers with regard to sustainability and environmentally friendly design. That's a skill set that's lacking in a lot of countries. They would benefit greatly from the skill sets we can bring to them.

Mr. Peter Fonseca: That's great, thank you.

My next question is for Mr. Duggan. Mr. Duggan, at the time of publication of the Asia Pacific initiative, a shortage of skilled workers was seen as a top threat to taking advantage of the opportunities of the Asian market. Does this situation still exist today?

Mr. Terry Duggan: To a certain extent, yes, it does. The short answer is that in the last three years we've recruited 2,000 new workers in the waterfront industry across British Columbia. We're turning increasingly to new areas for recruitment. For instance, the number of women working on the waterfront has expanded over the last three years from about 300 to about 600 workers, now making up 10% of our workforce. The days of the strong back and big sack on your shoulder are long gone. Longshoring jobs these days are all about operating very sophisticated equipment, and there's no gender barrier in that kind of work at all.

The other area in which we've been quite successful, particularly in the north, is in working with first nations. In Prince Rupert, close to 40% of our workers are in fact first nations in the Prince Rupert area.

Mr. Peter Fonseca: Mr. Redlin, a publication that is accessible on the Trade Justice Network states that "One of the most difficult issues for Canada concerns the fate of the supply-managed sectors." Can you please provide insight into how the supply management could be affected under the TPP?

Mr. Blair Redlin: The supply-managed sectors of dairy, poultry, and eggs are very much under threat because of the negotiated provisions of the TPP. The previous government was dealing with that by promising to provide—now maybe you can help me with the number—a very large sum of money for compensation to the dairy sector for—

Mr. Peter Fonseca: My colleague says \$4.3 billion.

Mr. Blair Redlin: Yes. I guess my question about that is we have a successful supply management sector in Canada that provides stability, certainty, and reasonable access to healthy food. Certainly in British Columbia, in the Fraser Valley and many other parts of the province, they rely on supply management.

Why should our taxpayers pay such a large sum of money to compensate people to allow us to get out of a system that is working very well for us now? We could save that money and retain our supply-managed sectors.

The Chair: You still have half a minute. You'll pass?

Okay, we're going to move on to Ms. Ludwig for five minutes.

Ms. Karen Ludwig: My first question is for Mr. Redlin. You mentioned the potential loss of 58,000 jobs if we ratify the deal. In terms of the study that was done—so I'm going to use the counter on this now—how many jobs potentially would be lost if we didn't ratify but the U.S. did?

Mr. Blair Redlin: I think that scenario is unlikely because it's less likely the U.S. will ratify than anyone else in the current configuration. We still will be members of the North American Free Trade Agreement. We will still have all the access that we have now under NAFTA to the United States.

With regard to the other countries in the TPP zone, I've not seen any study or indication of what the problem is in terms of our trade with Japan, for example, or Australia. Are there giant impediments to our trade with Japan right now? Those have not been brought forward. The type of argument tends to be, we need to be in the club or we'll be outside the club, and we need to trade because we're a trading nation. Well, that's a given, but I don't think the problem has been clearly identified for us. I don't see huge trade barriers to many of these Pacific Rim countries. We in British Columbia have extensive trade as has been identified with the Asia-Pacific region, and it's very beneficial to us. I just go back to my point. I think 97% of our exports to the TPP zone are already duty free. I think this is mostly an investor protection agreement, and that's really mostly what it's about.

• (1055)

Ms. Karen Ludwig: Thank you for that response. Considering what you said, I'd like to pose that question now to the other presenters. Are there impediments to trading currently with Japan, and what would they be?

Mr. Eric Waltz: Well, again from our side it would be that.... Right now, if you look at the exports, you'll see that a very small percentage of lumber exports goes to Japan or to the Asian countries. A lot of that has to do with the tariffs on them. That's a global market for those individuals. Asia can buy it from anywhere. They can buy it from Russia. They can buy it from the U.S. They can buy from wherever they want.

If there are significant tariffs on it, they won't buy it from Canada. When you see those go down, you see that trade go up. For me.... Again, I'm not an investor. I'm an employer. For me, what we're looking to do is make sure that we still have good employment for our workers.

Ms. Karen Ludwig: Thank you.

Mr. Kemp.

Mr. Scott Kemp: Simply, you can't practise if you're not licensed. At this point, there's no agreement between Canada and Japan. If an architect is wishing to do a building in Japan, it's just not possible.

Ms. Karen Ludwig: I've heard that right now that market is closed, yes.

This is for Mr. Kemp and Mr. Vernon.

Are there skill sets that currently your firms require for which you cannot find those positions filled in Canada?

Mr. Scott Kemp: Yes and no. We in the architectural profession are in a profession of ideas. Our members have great ideas, but diversity and communication and sharing of ideas is critical, I believe, to our profession.

If you work in isolation, your solutions are reflective of that. If we can work in an open and collegial and professional manner such that we share those ideas, it's to the benefit of everybody—not just the profession, but the public.

Ms. Karen Ludwig: Hopefully what won't be my last goes to Mr. Duggan and Mr. Waltz.

When we're looking at the logistics in terms of the ports and other areas for shipping, how prepared are our ports, trucking industries, and cold storage in terms of transportation for an increase in trade both on the import and export? What do we do if TPP, for example, is ratified and CETA is ratified? How do we best prepare logistically for the transfer of goods?

Mr. Terry Duggan: We're seeing significant investment by our own member companies in the waterfront industry. There's terminal expansion going on right now in the inner harbour, as well as at Delta Port and also at Prince Rupert. These are private funds being invested in that infrastructure.

Clearly, we're looking for strong partnerships with the railways, in that the rail to the water is an important part of the puzzle, as well as with the trucking industry.

The Chair: Thank you.

We're going to move on to the Conservative Party.

Mr. Van Kesteren, you're up for five minutes. Go ahead, sir.

Mr. Dave Van Kesteren: Thank you for coming and for a most interesting discussion. I love history, and when I visit a place, oftentimes.... I was up in Smithers, and I was looking at some old pictures. I don't know if anybody has been in Smithers lately, but it is probably much the same as many other towns in British Columbia and Canada in general.

It is fascinating to see what has happened in the last 100 years. It is fascinating to see those pictures of men and women working with horses and cutting trees with handsaws, and to see what has transpired. When I fly over British Columbia, I see all these roads. Those were logging roads at one point. To see the infrastructure that we have as a nation is absolutely phenomenal.

When I go to Vancouver and see the port, and what we are capable of doing.... It is incredible how we have moved forward in the last 100 years. I think much of the western world has. We are not unique, but I am seeing that happening in the underdeveloped countries, too. There seems to be a moving forward. We have talked to some degree about poverty in other nations, but I have been witness to places like China and have seen where they have come in the last 30 or 40 years. It is nothing short of staggering.

Two things come to mind that propel this. Number one is energy. They used to pull these logs with horses, and now we have equipment to do that. Number two is markets, because once you have run out of markets, you have certainly run out of places to bring those goods.

In the course of the discussion, and even this morning, we have heard the pros and cons. On the previous panel there was somebody who discussed with us what the split was across our nation. It is somewhat even. I think there is a little advantage on the pro side. It is for that reason we have come as a committee and have discussed these things with professionals, with people who have a stake.

Knowing that this is the way our economy works.... Everybody has benefited. I think we have all come here in cars; nobody has ridden a horse here. We flew here in a plane. We have reaped the benefits of all these things that our society has managed to produce.

I guess I am going to direct this question to Mr. Redlin. If we find, across the course.... That nice lady in the back was asking what licence we have to make this. We are doing these consultations to ask Canadians. If we find that the majority of Canadians think this is a good idea, will you stand behind that majority of Canadians? I guess the same is true if we hear the opposite.

● (1100)

Mr. Blair Redlin: Well, majorities change, as we learned just last fall. I think public opinion changes based on argument and debate, so we'll continue to advocate our point of view.

With regard to your point about changing technology and contributions to the economy, I think it might be worthwhile to note that with the new economy and the new technology, technology leaders like former BlackBerry CEO Jim Balsillie and Highline CEO Marcus Daniels, here in B.C., have cautioned about what the TPP will mean in terms of intellectual property provisions and what it will mean for Canadian innovators. Jim Balsillie has been particularly pointed in predicting that the TPP will benefit U.S. technology

companies at the expense of Canadian technology companies and our national productivity level.

I guess my concern, as I stated, is that I think we'd become more and more a nation of hewers of wood and drawers of water, people who export raw resources. When our technology leaders are warning us that this deal may be threatening to our new technology sectors, I think that's what we should be thinking about for the 21st century. We should be heeding those calls.

Mr. Dave Van Kesteren: Is that where most of our exports are going to come from, or are there opportunities for more areas?

I just lay that question on Mr. Kemp and Mr. Vernon.

Mr. Mark Vernon: In the architectural services sector, I don't think I can reveal anything that has not already been said here. The TPP will facilitate export of our services and will be helpful. Should Canada not join and other countries were to join, we would be at a disadvantage.

The Chair: Thank you very much. That ends the Conservatives' five minutes.

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

Mr. Sukh Dhaliwal: First of all to Mr. Redlin, thank you for your public service as a deputy minister. I'd also like to congratulate you on your advocacy for the Canadian Union of Public Employees.

How does the TPP result in a weakening of the Canadian government's regulatory power? If we ratify this agreement, what should the government do to strengthen those regulatory powers?

● (1105)

Mr. Blair Redlin: I think first of all the investor-state provisions that we've talked about cause a policy chill for government. Governments, at both the federal and provincial levels, that are worried their public policy measures may result in a lawsuit from a foreign investor will start to change their policies and not proceed with policies they would like to proceed with. A famous example was the Government of Ontario in the 1990s that had campaigned to implement public auto insurance—as a form we have in B.C. and many provinces in the country—and they were told if they did that, they would be facing a NAFTA lawsuit from foreign insurance investors. They decided not to implement public auto insurance.

I think this policy chill is significant. I think it's also that the entire paradigm of these agreements is deregulatory, supply management being one example, and that the entire emphasis is to reduce the regulatory choices of government. Those are not choices being made by the elected government. Those are choices imposed on them by the strictures of this international agreement. You mentioned the public service. I think a concern for those concerned about public services is that these arrangements make it more difficult for governments that wish to end the privatization arrangement to do so. There's nothing in these arrangements that compel a government to privatize a service. Once it has contracted out or privatized, or entered into a public-private partnership for a service, there's a very real—and there's a number of studies that indicate this—risk that foreign investors will sue if the government decides to bring it back into the public sector to re-municipalize or.... I think that's a concern for the public sector and the public service as well.

Mr. Sukh Dhaliwal: Mr. Kemp, you talked about architects. I'm a professional engineer and a B.C. land surveyor. How would it positively and negatively impact other creative people in other professions if we ratify the TPP?

Mr. Scott Kemp: As architects and engineers, we are the guides. We are the ones that set the drawings and set the standards that instruct how things get built. We influence a massive part of the economy. Although we're a small number, we believe our impact is huge. I believe our standards are second to none both within the regulatory world, but also with our built environment standards, public safety...the earthquake that was in Ecuador and Japan recently. We have some of the best engineers and architects in the world. Those skill sets would be hugely beneficial to other parts of the world.

Mr. Sukh Dhaliwal: To Mr. Duggan, I would like to congratulate you for taking steps to hire more women. I've always had discussions with Andy Smith. He was heading to hire more women to bring diversity to the waterfront.

In fact, you say that the TPP will create more jobs. How would you make sure you are able to hire more women in order to bring equality to the waterfront?

Mr. Terry Duggan: We've negotiated specific recruitment agreements with each local of the International Longshore and Warehouse Union. They're required, under those agreements, to meet the employment equity targets on first nations, on gender, and on disability. There's a very proactive program to ensure that candidates coming into the industry are representative of the society we live in.

The Chair: Thank you very much.

That ties up the time. I've been a little strict on everybody's time, but it's working well for us. It's going to give every member a chance to ask a question.

We're going to go with the final lap, five minutes, to the Conservatives.

Mr. Ritz, it's your turn.

Hon. Gerry Ritz: Thank you, gentlemen. It's been an interesting discussion. There's a tremendous amount of information out there, some of it on point, some of it not.

I am puzzled by one thing. There seems to be this ideology that somehow we're going to become more hewers of wood and drawers of water than we have been over the past decades. I actually, categorically, don't agree with that simply because of the statistics; we're actually now selling what our customers want as opposed to what we have is more the vogue. I'm speaking from an agricultural perspective. When we do our beef cuts, our pork, even our grains, and so on, there's a lot more work goes into them before they go offshore than there ever was before.

I'm wondering if you gentlemen in the container business and in port are noticing that. I know our container traffic is way up compared with what it was, and that says to me we're sending out a more value-added product than just bulk. What would your container traffic be increasing by?

• (1110)

Mr. Eric Waltz: We've seen an increase of about 7.1%. That outpaces the GDP, which is good. That means we're outpacing what one would normally think the market would be. I speak of the container trade. When we talk about the container trade, it is normally not what could be considered raw material. You don't put the logs in there. You put the cut lumber or some other type of medium in there.

Hon. Gerry Ritz: Exactly. That's the point that I'm trying to make. We are adding value. Certainly, with Canada it's a problem of enough jobs and enough people to do the actual work, but we are seeing expansion of that throughout my part of the world in western Canada. We're seeing it on the east coast too with our fisheries. We're sending out a lot more finished products than we ever did before, and I think that's a good thing because it creates the jobs here that help drive the economy as well.

The other point I would make is that, like any good stock portfolio or any business portfolio, you look for diversity. You make sure that you don't have just one market. When we talk about market share and you have 10% market share, it's not all to one buyer. You try to have as many buyers as you can so that when one is busy and the other one's down, you're not just stuck with the guy who's down.

How important is diversity in our trade portfolio from what you see?

Mr. Eric Waltz: At least from our standpoint, as I said, the Asian countries are a small percentage of what we're seeing for exports. The largest portion goes to the U.S. If it's going to the U.S., you skip the port industry. You just drive it over the border or some such thing.

When you go to the Asia-Pacific market, you create all those jobs that come with the port industry as well, and those are the markets that we're relatively under-represented in.

Hon. Gerry Ritz: Yes. We're noticing that, again from the agricultural perspective, with regard to all the raw materials we have on the prairies. The Americans are the biggest buyer of raw material, because they want to take it down, make it their own, process it, and so on. But we're also seeing a lot of that change in being rerouted to the Pacific Rim countries. Even though the Chinese economy is growing at only 7% or 8%, it's still growing. Whereas it was at 15% and so on, it's still growing. They're still buying our potash, and they're still buying our lumber, and they're still buying our grains and meat products. I think it's very important that we start to address that we have to look outside of the North American portfolio and diversify accordingly to be prepared for these.

On the architectural front, I had the ability to tour the area in Japan that was hit by the tsunami a few years ago. There was total devastation. It was just like walking on the moon. But there was one bright spot. There was a timber-framed Canadian home that was architecturally designed and Canadian-engineered and that stood in the face of the tsunami. What I found amazing was that most of the damage—you would know this with regard to the moment of stress and all those types of things—wasn't necessarily done on the wave coming in. It was done on the withdrawal, on the wave going back out again. That created suction. But that Canadian house was still standing there. It was amazing to see.

So when you talk about the skill set we have in Canada, the ability to design things that are earthquake-proof or tsunami-resistant—nothing is “proof”—certainly there is a tremendous opportunity for our architects and our engineers, and building right back on through the lumber trade, to develop that timber-frame construction. Great job, guys. Keep it up.

Mr. Scott Kemp: Thank you. We're kind of blessed with living in one of the best parts of the world, but it does have its challenges with earthquakes and tsunamis. It's forced us to actually develop those skill sets.

The Chair: I'd like to thank the panellists for coming for the second round and for your good submissions and all the good questions we had today.

We're going to break for fifteen minutes and we're going to come back with our third set of panellists.

I suspend for fifteen minutes.

• (1110) _____ (Pause) _____

• (1130)

The Chair: Welcome, everybody, again. This is our third panel out of four panels here in Vancouver, British Columbia.

We have some more witnesses here. I've been giving some latitude here. I don't mind the odd hoot if you like somebody saying something, but we will not tolerate any heckling with the witnesses. It's not fair to them.

Anyway, we'll continue on with our meeting. On this panel, we have the British Columbia Cattlemen's Association, we have the Greater Vancouver Board of Trade, and we have the Union of British Columbia Indian Chiefs. So welcome, and I think we're going to start off with Mr. Boon, from the B.C. Cattlemen's Association. Five minutes, please, sir.

Mr. Kevin Boon (General Manager, British Columbia Cattlemen's Association): Thank you very much for the opportunity to come and present on behalf of the cattlemen here in B.C., and really of the cattlemen in Canada, as we are very much a national industry.

B.C. Cattlemen's Association represent nearly 1,200 producers, which raise more than 75% of the cattle here in B.C. and make up about 5% of the Canadian cow herd. The cattle industry in Canada exports nearly half of what we produce. Since BSE was discovered in Canada in 2003, the government and the cattle producers have worked very hard not only to re-establish trade with the partners we enjoyed prior to its discovery, but also to open new markets around the world.

For the past several years, of course, our main focus has been on resolving the country of origin dispute with the United States. We greatly appreciate the hard work of the government in sticking to our guns on this. We feel that this really exemplifies what trade agreements are about. If we don't stick to our guns, then they're not worthy of being done. We really do congratulate you on sticking to it and bringing resolution to this.

With COOL resolved, it's important for our industry that we now focus on the priority trading partners and agreements. The two most immediate opportunities are with Europe, with the CETA, and the Trans-Pacific Partnership.

British Columbia's cattle industry is very supportive of ratification of the TPP trade deal. We see value not only in the markets that it will allow increased access to, while keeping us on a level playing field with the players from other partner countries; we also anticipate through this better cut-out values for our cattle.

Our industry benefits greatly when we are able to match the right product with the right market. We see preferences for certain cuts of meat and by-products with every trading partner. This increase in demand sees us with greater returns for virtually every cut of beef, thus making each individual animal have a higher cut-out value, allowing greater opportunity to profit for the entire supply chain.

The primary goal for the TPP negotiations was achieved for us with the re-leveling of the playing field for access to Japan for Canadian beef. We are seeing the effects of slipping into competitive disadvantage already, as Australia has already gotten a free trade agreement with Japan. Canadian beef is still subject to a 38.5% tariff, and Australia is already down to 27.5% and dropping.

To illustrate the difference between 2014 and 2015, we saw Canada export nearly 19,000 tonnes of Canadian beef to Japan in 2014. In 2015 that figure dropped to 14,000 tonnes, a 24% drop in tonnage. We went from \$103 million in sales to \$93 million, a 9.3% drop. The reason for this change was in the dollar valuation: we were able to see more return of dollars, but a huge drop in tonnage, and a lot of it we can attribute to other countries' having FTAs, whereas we do not.

With the implementation of the TPP, the Japanese tariff on Canadian beef will immediately match the rate for Australia and then decrease to 9% over 15 years. It is anticipated that the amount of Canadian beef going to Japan would double or even triple, and we could see the value increase to \$300 million. Without the TPP or a bilateral agreement with Japan, Canada will likely lose around 80% of the value of our beef exports to Japan.

Our only concern about TPP is that it might not be implemented. While it is not certain what the U.S. will do, we know that according to the implementation formula, the TPP cannot come into effect without the U.S. Because of this, we believe there need to be strategies for Canada, should this happen. It is unfair to Canadian exporters to try to compete with other countries that already have achieved FTAs.

While a great deal of the value is with Japan, it is not the only benefit. While we cannot quantify the amount at this time, we feel that Vietnam will be a market of growing importance for beef. Vietnam has tariffs of 15% to 20% on beef cuts, which will be fully eliminated under TPP in three years. Vietnam's 10% tariff on beef offals will be eliminated in five years.

• (1135)

There is no question that our beef industry in Canada being part of the deal involved with Japan is imperative. We do appreciate that there are many considerations involved in this in Canada. To remain competitive in the global markets, we must be one of the founders in the TPP.

The Chair: Thank you very much, Mr. Boon. You came in on time.

Mr. Crawford, from the Vancouver Board of Trade, you have five minutes.

Mr. David Crawford (Vice President, Greater Vancouver Board of Trade): I am happy to be here today to represent our board of directors and over 5,000 members from across the Greater Vancouver region.

For those of you who don't know, on the makeup of the business community in British Columbia, 98% of all businesses in British Columbia are small businesses. That's reflected in the base of our membership.

The Greater Vancouver Board of Trade has worked on behalf of our region's business community to promote prosperity through commerce, trade, and free enterprise for 129 years. Our mission is to work in the enlightened interest of our members to promote, enhance, and facilitate the development of the region as a Pacific centre for trade, commerce, and travel.

Our organization strives to enable and empower its members to succeed, grow, and prosper in the global economy. As Canada's gateway to the Pacific, we know first-hand the economic benefits of diversified trade in the Pacific region. British Columbia is projected to lead economic growth in Canada, and this would not be possible without other free trade agreements like the Canada-Korea Free Trade Agreement and the Softwood Lumber Agreement.

The Trans-Pacific Partnership provides an opportunity to expand trade relations for both British Columbia and the country as a whole, and my concluding comments will come back to that.

With 65% of British Columbia exports already destined for TPP member countries, the agreement is expected to increase our exports by \$320 million per year and create approximately 2,500 jobs across the province. This is particularly true in rural and coastal British Columbia.

Our geography and diversified economic base positions B.C. to uniquely benefit from reduced tariffs and increased access. Other panellists today are better qualified to bring their own industry experience to that. But clearly, should Canada not ratify the TPP, the economic impact to British Columbia is estimated to be a half a billion dollars.

The agreement will eliminate tariffs on B.C. forestry and value-added wood products allowing them to reach higher growth markets, including in Vietnam and Malaysia. B.C.'s coastal food industry will benefit from greater access to Japanese consumers, where high tariffs currently limit Canada's access to one of the world's largest consumers of seafood. Numerous examples can also be found in clean tech, agriculture, and mining, to name a few.

Furthermore, our domestic industry and consumers will benefit from a more competitive market for goods. Our ports, airports, and transportation industry will also benefit from the growth in the volume of goods and people moving across the country in and out of untapped markets.

The Trans-Pacific Partnership ability to align environmental and economic priorities cannot be overlooked. British Columbia has long been an international leader in environmental protection and conservation. If the TPP is implemented, it will bring into force, among our trading partners, environmental standards to ensure our industry remains competitive while we safeguard the environment.

One of the things that I'd like to draw your attention to, should the Government of Canada choose not to enter TPP or bring it into effect, is that small businesses in Canada are paying attention. To the positive, should the Government of Canada bring into effect the TPP, one of the things I'd like to draw to your attention is how to think forward, and what does that mean to maximize the potential.

I'd like to, as a point of reference, explain briefly a program that the Toronto Region Board of Trade has developed and is implementing right now. It's called the trade accelerator program. It's to serve as a one-stop shop for companies that don't export, but want to export. Specifically, in the Greater Toronto area, its focus and objectives are to create a culture of international trade, grow the export capacity of the region, consolidate resources, and leverage the private sector's expertise and sponsorship of its most export-viable client companies, while remaining focused on targeted trade clusters.

Effectively what's happening in Toronto is that within three months, export advisers will help businesses develop a market entry plan, begin its activation, support and nurture smaller companies that can one day become large companies. This involves a combination of workshops, clinics, and one-on-one coaching.

I'd like to quote specifically from a Toronto Region Board of Trade export report dated May 2015. It says, "Firms engaged in global markets have a remarkable economic effect." They are more innovative, more productive, and generate more jobs and higher wages. As The Conference Board of Canada specifies, every \$100-million increase in exports creates approximately 1,000 new jobs here in Canada.

With only 5% percent of export-viable companies in Canada trading globally, the opportunity in front of us is enormous. And yes, I did say 5%. If we are able to simply move that with small and medium-sized businesses, should the TPP come into effect, it will only amplify the economic impact.

The Greater Vancouver Board of Trade believes that market diversity and global connectivity are vital to growing a strong economy. The TPP is therefore necessary to further the prosperity of both our province and country alike. The Greater Vancouver Board of Trade processes trade documents. We know first-hand that there are companies that are prepared to make investments today should the Government of Canada say yes.

Thank you.

• (1140)

The Chair: Thanks very much, sir, for your presentation.

Before I give the floor to Ms. Sayers, I would first like to thank you for letting us be on the first nation Salish territory. It's good to be here, and it's good to be in your beautiful part of our country.

You have the floor for five minutes. Go ahead.

Ms. Brenda Sayers (Union of British Columbia Indian Chiefs): Good morning. My name is Brenda Sayers, and I am from the Hupacasath first nation on Vancouver Island. I am here with a unique perspective on trade agreements.

I was a portfolio holder for my nation on the Canada-China FIPA and spent nearly two years in court with the former Government of Canada in an attempt to have our people heard. As it turned out, it was a rather futile exercise, as Prime Minister Harper chose to ratify the agreement without waiting for the court's decision in the case.

Today, I am representing UBCIC, an organization of indigenous nations in British Columbia, founded in 1969 and dedicated to promoting and supporting the efforts of indigenous peoples to affirm

and defend aboriginal title, rights, and treaty rights. The UBCIC is guided by the principle that indigenous peoples possess an inherent right and responsibility to care for and protect our lands and resources, to govern ourselves, and to enter into relationships with other nations guided by our laws and traditions.

The TPP and associated processes threaten our inherent indigenous rights, title, and treaty rights, as well as our respective territories. UBCIC is extremely concerned the Government of Canada signed the TPP without consultation or consideration of the constitutionally protected, judicially recognized, and internationally enshrined rights of indigenous peoples across this land. It is especially true in B.C., as many of the resources require direct access to our lands, lands protected by our inherent and unceded rights and title. Trade agreements, such as the many foreign investment promotion and protection agreements, CETA, and TPP, prioritize corporate rights over our rights.

The TPP will impose non-discrimination between a local and an international investor, thereby granting more rights to the transnational firms, like PETRONAS, under its investor-state dispute settlement provision. The TPP provides a path whereby third parties could avoid the consultation and consent of indigenous communities.

The ISDS provision in the TPP allows companies to challenge and sue the Government of Canada if we, as indigenous people, choose to protect our lands from resource development. Canada will then have to choose between supporting aboriginal rights, title, and treaty rights, and the foreign state. If multinational corporations are able to sue national governments in private tribunals for a loss of potential profits, what incentive is there to obtain the consent of indigenous communities? Therefore, ISDS provides a loophole to ignore indigenous rights and title.

The UBCIC believes that the ISDS provision will also pressure the Government of Canada to defend international resource development corporations rather than honour, as Prime Minister Trudeau stated in the mandate letters of his cabinet, the "renewed, nation-to-nation relationship with Indigenous Peoples, based on recognition of rights, respect, co-operation, and partnership".

The UBCIC opposes the ratification of the TPP. The previous Government of Canada bypassed indigenous involvement at every level. This complete lack of consultation directly contravenes the United Nations Declaration on the Rights of Indigenous Peoples. The current government has stated that it supports UNDRIP. Therefore, it has no right to ratify this deal without our free, prior, and informed consent. We have witnessed the devastating impacts of similar free trade agreements on the rights and lives of indigenous people around the world.

• (1145)

The benefits of trade agreements have flowed largely to corporate balance sheets, investors, and highly paid salaried executives. Indigenous peoples have been criminalized for protecting their indigenous rights.

It is our hope with the new government in place, and with the recommendations on reconciliation adopted by them, that Prime Minister Trudeau's commitment to walking the path with indigenous people in partnership and in friendship will be more than just lip service and will include a real partnership when it comes to important matters, like trade treaties, that will affect the lives of all Canadians.

I thank you for your time.

• (1150)

The Chair: Thank you, and thank you to all the witnesses for your presentations.

We're going to move on to questions from the members of Parliament.

We're going to start off with the Conservatives.

Mr. Van Kesteren, for five minutes. Go ahead, sir.

Mr. Dave Van Kesteren: Thank you for your presentations and thank you for appearing this morning.

Mr. Crawford, those are interesting, to use that word lightly, statistics: that 98% of all businesses in B.C. are...did you say small, or small and medium-sized?

Mr. David Crawford: It's small and medium-sized businesses. That's correct.

Mr. Dave Van Kesteren: I wonder whether you could just tell the committee again about an increase of 2,500 jobs. What does that mean, exactly?

Mr. David Crawford: The Province of British Columbia has estimated that the positive economic impact of TPP will result in approximately \$300 million in increased economic activity and 2,500 corresponding jobs.

Mr. Dave Van Kesteren: I see.

Mr. Boon, what was the percentage of beef production in B.C. as distinct from the rest of the country?

Mr. Kevin Boon: We're about 5% of the country's production.

Mr. Dave Van Kesteren: You're not large, but nevertheless, it's still sizable. How much room is there for growth?

In the previous panel, we were talking about usage of lands. I'm trying to think where those cattle would be. I've seen some areas of B.C., but how much potential is there for growth?

Mr. Kevin Boon: Currently about 15% of the province is suitable for agriculture. Of the 15% of the land base that is suitable, about 85% of it is utilized by the cattle industry. That is because of our topography. We farm the valleys and the lowlands. With the sides of the mountains, we're able to put out our harvester, and our harvester goes out on four legs and turns that protein into food. The potential for growth...in 2005, we hit our maximum number of cows on range at 320,000 head. That's the mother cows. Right now we're currently at 185,000 head. We've lost a third of our cows through the BSE and a few years of drought. We are poised for expansion. With the markets rebounding, and coming back to where they are, we're looking for the signals. One of the things that is there is where are our markets, and how do we supply them?

I would say that our ability is there. With the mountain pine beetle, and with some of the forests being gone, the forage and the grass take over, and we're able to be compatible with them and work through it to the transition phase as we regrow the forest.

Mr. Dave Van Kesteren: Of course, just a percentage point can make the difference between losing in a year and having a profitable year. What kind of a percentage do you think you could see as an increase?

Mr. Kevin Boon: We have recently done a viability study on some of the packing and processing industry, and we very much see the opportunity to get ourselves up to that 250,000 head. That's about where we average out between the deals. You can quite easily say that we could gain another 20% very handily, without requiring much infrastructure change. There's also an ability to expand our feeding industry here in British Columbia. With the north producing more and more grains, there is an opportunity to do further expansion on that end.

Mr. Dave Van Kesteren: I was going to ask that question because down in my neck of the woods, we finish them off with corn. Is that done here as well, or is mostly grass and grains?

Mr. Kevin Boon: A lot here are grass fed because of the mountain range, but grass only grows for five or six months of the year, so we still do the grain production. Grain finishing also gives us consistency and a high quality product, which is what exports well. Corn is grown a lot here, especially in the south. In the north, and in the piece where most of our grain is grown, it's mainly barley and the cereal grains.

Mr. Dave Van Kesteren: That's all. I'll end it there, then.

Thank you.

The Chair: Thank you.

We're going to move on to Mr. Fonseca, from the Liberal side.

• (1155)

Mr. Peter Fonseca: Thank you, Chair. Thank you to the presenters.

My first question is to Mr. Crawford.

Mr. Crawford, in 2015, in a press release your president and CEO Mr. Black made the statement that the deal is great news for the members across Greater Vancouver, particularly for small businesses. As you mentioned, there's a high percentage of small businesses here in the province.

Do you think this agreement does enough for small businesses, when we've heard so much debate on whether this agreement will actually benefit small businesses?

Mr. David Crawford: I say this with some first-hand knowledge. In my comments I made a reference to our processing trade documents. We can actually see who's selling and who's buying. We talk to our customers, as any organization should and could, and we ask them about their view of the role.

I bring to your attention three countries in particular: Japan, Vietnam, and Malaysia, specifically for forestry products. When tariffs fall away, immediately small, nimble entrepreneurs are already beginning to "kick tires" and look at expanding their ability to export both services and goods. Because a large number of new Canadians live in Metro Vancouver, we have the ability to communicate in other languages and provide services. Those new Canadians are often quite entrepreneurial, so they're quite interested in making these connections, but also looking at opening new markets in which there are prohibitive tariffs that come off immediately under the proposed agreement.

Mr. Peter Fonseca: Can you share a concrete example of a small business success story?

Mr. David Crawford: Absolutely. We do some work with a company on Vancouver Island that exports to an Asian country. I won't say which one because it's proprietary knowledge. They have taken their business from about a \$50-million-a-year business to \$100 million a year of export. They're providing unionized, good-paying jobs in Vancouver Island. For them, the tariffs that would come off in Japan, in particular, and in Malaysia would.... As they've explained to us, they're prepared to put people on the ground today if they get a signal from government that it was going to be a positive response, or the government would make the decision. They're already looking at markets and growing their business because they're not going to grow it in North America. It's just not going to happen. Obviously, when we look at the situation with the softwood lumber dispute, shall we say, with the United States, our orientation is to look towards Asia as opposed to elsewhere in North America to grow markets, because they're saturated.

But, yes, there are companies here. The other one we would look at as well is in clean technology. Obviously, as the investment in oil and gas wanes, as there's a shift there to other sources of lower carbon fuel, they're beginning to look at other markets. And you can take waste-water treatment and export it to countries in situations where waste-water treatment is necessary. Currently the tariffs are impossible for us to do that. Under the TPP, that would change. It doesn't mean it will go, but it would obviously take away one of those large barriers.

Mr. Peter Fonseca: With a potential ratification of the TPP, for your members, have you assessed the risks, the pitfalls to B.C., to Vancouver, and even in Canada as a whole?

Mr. David Crawford: From an economic standpoint, the risk is not planning it. The Province of British Columbia has estimated that the economic impact would be a reduction of \$200 million in economic activity.

The benefit we enjoy in British Columbia is that we have the most diverse economy in Canada. Part of that is that when we look at our trading partners, we measure, obviously, and look at east-west comparisons, and when we look at national or subnational governments, our largest trading partners are the United States, Ontario, China, Japan, then Alberta. Our orientation is very much—because we sit, obviously, in a gateway port from which \$500 million in goods a day travel in and out of the port.... Then again there's the Port of Prince Rupert, which is very much tethered to Winnipeg and points east from there. Our orientation is very much to look at economic growth by diversifying.

Mr. Peter Fonseca: Thank you very much.

My next question is to Ms. Sayers. This committee has been entrusted with and we're focused on public consultation. I want to ask you what public consultation took place under the previous government? Was there any? Were there any meetings or anything that you could share with us?

The Chair: In all fairness, that seems to be a loaded question. She only has 15 seconds, and I don't think, to be fair to the witness.... What I would suggest is that your colleagues ask that question to give her proper time in the next round. How is that?

We're going to go on to the NDP for five minutes.

Ms. Ramsey.

• (1200)

Ms. Tracey Ramsey: Ms. Sayers, I share your deep frustration with the previous government's treatment of indigenous people. I also share your hope for a true nation-to-nation relationship with our current government, and I think that this agreement is a large piece of their true intention.

According to reports, the UN Special Rapporteur on the rights of indigenous peoples, Victoria Tauli Corpuz, stated in an interview that the major issue with the TPP is "the clause of non-discrimination between a local and an international investor". The TPP "grants more rights to transnational firms, often at the expense of indigenous rights". The interview goes on to say, "This is a crucial issue, she argued, as most of the remaining natural resources available on earth are located on indigenous lands—because protecting them is part of the indigenous culture, or because they are located on remote lands."

Could you expand on how the TPP's ISDS provisions may impact indigenous people's ability to defend the land and water, and the interests of future generations?

Ms. Brenda Sayers: Sure.

Through the ISDS clause, it grants corporations the right to charge Canada if the first nations disagree with any development of resources on their lands.

As an example, Grand Chief Stewart Phillip is on his way to Ottawa as we speak, with a delegation of chiefs, to speak about his concerns regarding PETRONAS and its impact on wild salmon in the Skeena River.

We must have the right to protect the lands and resources. When we talk about climate change, we're talking about something that is going to affect all of us, not just here in Canada, but worldwide. That's how we are all connected. It's in our interest to protect the land and future generations.

Ms. Tracey Ramsey: I'd like to pick up where Mr. Fonseca left off.

In your experience, how has the current federal government consulted with indigenous peoples on the TPP over the past number of years?

Ms. Brenda Sayers: We have not been consulted.

Ms. Tracey Ramsey: Would you say that approach is consistent with the notion of nation-to-nation relationships with first nations peoples?

Ms. Brenda Sayers: No, it is not.

Ms. Tracey Ramsey: In the same way, I'd like to ask that question of others who are currently sitting at the table. In accordance with her mandate letter, Canada's Minister of International Trade is expected to consult on Canada's potential participation in the Trans-Pacific Partnership. Can each of you say whether or not you have been consulted by the current government?

Mr. David Crawford: I can confirm that this is the first point of contact.

Mr. Kevin Boon: From the British Columbia Cattlemen's Association's point of view, this would be the first time, but our Canadian affiliate group has certainly been in touch and has been talking with the current government on the importance of this trade deal.

Ms. Tracey Ramsey: The question I have now is for Mr. Boon. The Canadian cow herd has been in decline for 10 years, and in this environment Canadian beef processors are challenged to secure cattle supplies to serve existing customers and use existing processing capacity. How would the beef producers be affected by the tariff reductions on beef products, then?

Mr. Kevin Boon: As I alluded to, we are very much dependent on trade, but it comes down to the fact that matching the product with the country or with the consumer is huge to us. Some of the countries will prefer organ meat, for example, that we would typically put into our ground or get very little value for. This will increase that value.

On the processing side of things, as I said, we have dropped from 320,000 down to 185,000 head of cattle, a lot of that due to the effects of BSE and the long-term problems with that. Our packing industry and processing industry shrank. Where we come into jeopardy if we're not in this—and especially if the U.S. is involved in this, because live cattle trade to the U.S. is possible—is we'll lose further jobs to the U.S. by cattle moving south, being processed

south of the border, and then going into markets like Japan and Vietnam, and whatnot.

Ms. Tracey Ramsey: If your herd is diminished, how will you do that?

Mr. Kevin Boon: Our herd is poised for regrowth. Right now we're looking for the signals. We've seen the price of cattle just about double over the last three years, so those producers who have made that infrastructure and that investment over the past 10 years of BSE are getting that paid back. They're now ready to expand. We saw last year alone, instead of a 15% retention in females, up to 30% here in B.C. already. We're ready to go; it's just a matter of the ability to participate.

•(1205)

The Chair: Thank you very much.

We're going to move back to the Liberals.

Madam Ludwig.

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

I'm going to start off with Ms. Sayers. First, I'd like to acknowledge that I'm from the traditional territory of the Passamaquoddy tribe in St. Andrews, New Brunswick.

I'm not sure whether we met last week at the EDAC conference, but one comment I'd like to make before I give my question is that during that conference, when I was the host MP, it came out very strongly that the chiefs wanted to be involved in consultation. We're very pleased as a committee that you are here today to consult with us, because as a nation this is very critical for all of us; it's important.

If we could go back a year and a half or two years and there were more of a discussion and input from the first nations community, what would you want to put forward?

Ms. Brenda Sayers: That's a good question, and I want to state that we're not against trade. We understand how important it is.

I think what we would like to point out is that the ISDS has nothing to do with trade.

When I was the portfolio holder for the Canada-China FIPA, what we wanted to include in the body of the agreement was the acknowledgement of the aboriginal entitlement treaty rights. That did not exist in that agreement, nor does it exist in the TPP. We feel it's imperative that there is recognition of undisputed rights and title in that agreement so we can protect our original lands.

Does that answer your question?

Ms. Karen Ludwig: It does, thank you very much.

Mr. Crawford, I definitely applaud you for recognizing the trade accelerator program in the Toronto area. I think if we're looking at best practices and examples that is definitely a good one.

You mentioned that 98% of the businesses amongst the board of trade are small to medium-sized businesses. What would you consider under your definition as a small business?

Mr. David Crawford: We use the same definition as the Province of British Columbia, and that would be 50 employees or less.

Ms. Karen Ludwig: Okay. Thank you.

I ask that question because coming from New Brunswick, often it's less than 10.

Mr. David Crawford: Yes. Understood.

Ms. Karen Ludwig: I know the previous government did a fair bit of work in terms of Going Global workshops and others. How much has that come down to the ground level? That's one question.

The other one is that you've mentioned companies with less than 50 employees. When we're looking at companies that have anywhere between five to 20 employees that would like to be exporting, how is it best to suit the needs of the employer, who is also the owner, the operator, the accountant sometimes, and every role going, to best get them prepared for trade?

Mr. David Crawford: To answer your first question, what really happens when you look at Export Development Canada or other programs that are delivered is you bump into a capacity problem with small businesses, whether that's at 10, 25, or 30; it's dependent on the industry. But you're right, there's often a privately held business with one or two owners, and they're chief cook, and bottle-washer.

When we did an environmental scan, because we have the luxury of location when exporting to Asia, we found the same thing with our members. When we look at export documents that we're processing, there are very few very small businesses, and what they're exporting are really single transactions. When we stumbled, effectively, on the trade accelerator program, the question is being posed back to the small-business owner: how can we help you? It's not here's what we offer. The orientation of it is different, by customizing the delivery. Not everybody goes into that program and comes out the other end as successful, or they stop because they realize there is no export market. It's that filter to stop people wasting their time.

I'm sure if you contact the Toronto Region Board of Trade, they will tell you that it is quite focused on specific sectors where they have world-class expertise and a large number of small businesses that are feeding into a cluster, like financial services. There are some others where you have some very large ones, and then you have almost micro-businesses that are there as well. I think that's the magic of that program. It's custom tailored and targeted, and it's user friendly as opposed to prescriptive.

• (1210)

The Chair: Time's up.

Ms. Karen Ludwig: Is that it? I think you're cutting my clock off.

The Chair: I know members always feel you don't have enough time, but my faithful scorekeeper here has it all written down.

Just before we go to our next questioner, let me ask Mrs. Sayers this. When you mention the words "traditional lands", I'm assuming you mean waters also. We're on the east coast. This is the big picture: "lands and waters". That's just for clarification.

Ms. Brenda Sayers: You're right; it's lands and waters. Thank you.

The Chair: Mr. Dhaliwal for five minutes.

Mr. Sukh Dhaliwal: Thank you, Mr. Chair. Thanks to the panel members.

My first question is going to go to Madam Sayers, as well. Madam Sayers, you mentioned indigenous peoples' working relationship in partnership with the government, and I'm sure you realize we are starting to work together as equal partners, and correcting the mentality that has been in place for many generations, whether it's with energy projects, trade agreements, or with the government. The first thing was calling an inquiry into missing indigenous women, putting \$8.4 billion for infrastructure and community development into indigenous communities, and seeking your advice when it comes to trade agreements, whether it's with the Prime Minister, the minister, or us at the committee. The Prime Minister has given the committee an independent mandate to go out and have public consultations, and that's why you are here at this table.

My question to you is this: in the TPP, is there any section that you feel is beneficial to first nations peoples?

Ms. Brenda Sayers: You know, I haven't studied it in that length to give you an accurate answer. I could get back to you with that answer, if that is okay with you, Mr. Dhaliwal.

Mr. Sukh Dhaliwal: Do you have any recommendations that you would like to put forward here to the committee, and through this committee to the Minister of International Trade?

Ms. Brenda Sayers: What I would say, and one of our concerns, is that international law trumps domestic law. International law, when it goes to the three-panel secret tribunal, will not recognize indigenous rights and title, our treaty rights. It will not recognize federal, provincial, or municipal regulations. On top of that, the foreign state can sue Canada or the province through domestic courts for stopping it from extracting natural resources from the traditional lands. Now we're getting hit from both sides.

I'm not sure whether that answers your question.

Mr. Sukh Dhaliwal: I want to give you the open time and stage here so that you feel you were given a fair chance to put your thoughts on the table. I give my minutes to you here to express those opinions and any suggestions you might have, so that you feel that you are consulted.

Ms. Brenda Sayers: I do have a suggestion. First of all, I would like to make note that we do not consider this consultation.

The other thing I would like to suggest is that first nations have the right to know what is contained in the TPP. I think Canada will admit itself that we're coming into this deal late.

What we would expect the government to do is have an open dialogue with us and inform first nations on the full impact TPP will have on our rights and title. After all, the document is 600 pages long and has a lot of text in it that the layperson cannot understand. This is one of the expectations we would have of the government of the day.

• (1215)

Mr. Sukh Dhaliwal: My question to the other panellists is this. When it comes to the supply management section, there's a five-year phase-out period. Do you feel that is enough time for our dairy products and supply management products to become competitive on the international stage?

Mr. Kevin Boon: I'll comment briefly on that.

I can't really give you an answer on what effect it's going to have. The one thing I can say about the dairy industry is that 20% of our beef comes from dairy cows once they're retired from producing milk. There is a definite advantage to that hitting the market, in that aspect. I think there are other opportunities that could open up, too, but I really can't, not being involved in it, fairly comment for them.

The Chair: Thank you.

Ms. Sayers, you mentioned 600 pages. I don't want to shock you, but it's 6,000 pages. It's even bigger than that.

Ms. Brenda Sayers: Thank you for pointing that out.

The Chair: We're going to go now to the Conservatives for five minutes.

Mr. Ritz, go ahead.

Hon. Gerry Ritz: Thank you, Mr. Chair. Thank you, presenters. These are all very interesting discussions here today.

I'll start with you, Kevin. You talked about beef and the importance of it in British Columbia. You're absolutely right, but the one thing that has always struck me is that even though our animal numbers were down across the country with BSE and country-of-origin labelling, our tonnage was actually up. Our genetics are so much better that we're actually growing fewer cows but producing more beef to be consumed here or exported. It's a great thing; it's why our genetics are in such demand around the world as well. That's one of the major exports that we have available to us.

British Columbia is the perfect storm when it comes to animals. You need three things: grass, water, and access to market. Certainly, grass and water are here in abundance. Access to market we're trying to accomplish now with access back into the U.S., with country-of-origin labelling done.

We need diversity, however. You made the point about all the other cuts and offal and everything else that's in demand in the Pacific Rim that is so important to gain that diversity in your industry. We've also developed a beef centre of excellence in Calgary, so that when butchers and marketers from all of these other countries decide.... As I often say, we develop a 16-ounce T-bone here in Canada, but that will feed a village in Japan: they want a two-ounce cut, and so on. That's what this is doing.

Are you seeing response from all of those different initiatives that have been taken, in the demand?

Mr. Kevin Boon: I certainly have. One of the things I think we have really concentrated on is cutability, and making the best use out of a carcass. That entails getting the right trading partner for it. The trading partners are right here in Canada, as well.

One of our big setbacks here in B.C. is being able to service them because we have no federal plant. In terms of carcass size, we need the ability to process here in Canada, to utilize the knife correctly, and to develop new cuts for specific markets.

You referred to the centre of excellence. It represents huge opportunity for us to bring in the other markets and trading partners, and to work with them to determine what process needs to be here.

We know that with the amount of waste—and we get about a 60% cutability out of every carcass—it's not feasible to ship live cattle anywhere else but the U.S. unless it is being sold for genetics. That puts us in jeopardy. Processing, packing, the whole ball of wax all fits into the trade.

Hon. Gerry Ritz: I've been on the ground in some markets, such as Vietnam, which is really developing, and some of the major cuts that are in demand there are stomachs and tongues. They probably don't have it on the menu here at the hotel, but certainly that adds value to the carcass, and that's the whole point. The pork guys are famous for saying they sell everything but the squeal, and we've started to drive that with a lot of our extra production.

You're absolutely right. You made the point that there aren't any federal facilities here in British Columbia, and it's hard to add value and get outside the scope of a captive consumer unless you have that ability.

I know that CETA isn't really going to help much here, given our geographic location, but do you see TPP developing a feeding industry and a processing industry here in British Columbia that has been missing to this point?

Mr. Kevin Boon: Absolutely we do. We've already started taking some steps towards seeing this by doing a viability study. Our cattle industry is virtually moving north in the province. Population is pushing us to the north, to the Prince George-Vanderhoof area and up to the Peace. The ability to raise grain there.... We know that the closer we have our finished product to a processing plant, the less the transportation, and the greener it becomes, the more economical.

Having a processing plant would not only see us create jobs in a small to medium-sized plant for that processing, but we would also see infrastructure grow in other types of production of the beef, in the finishing end of things, here in B.C.

•(1220)

Hon. Gerry Ritz: Mr. Crawford, speaking to your points concerning the Greater Vancouver Board of Trade, I am aware that they signed a non-disclosure clause as this was being developed. There were dozens of different groups like yours—industries, and so on—that did so. They were briefed on a day-by-day, week-by-week basis as to how this was progressing, and I know they took advantage of it.

You talk about your small businesses being in the five- to 10-employee range. One of the smaller operations that I've had the chance to visit here in Richmond is Lulu Island Winery, a huge success story. They've now expanded. They have their footprint here and they're growing specific wines for trade in the Pacific Rim. Now they've bought a second operation in Kelowna to expand. They're doing it somewhat backwards from what everybody else does.

But wine tourism has become a big thing in British Columbia. Do you see that—?

The Chair: I'm sorry, Mr. Ritz, your time is up. Your partner there is going to have five minutes, and maybe he can finish up your questioning and will work on that.

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

Mr. Peterson, you have the floor.

Mr. Kyle Peterson: Mr. Crawford, if you want to comment on Mr. Ritz's comments about the wine industry and the importance of importing and exporting, take that opportunity now.

Mr. David Crawford: We don't have any members in that space, but if you look at the growth of tourism in the Okanagan Valley, it speaks for itself. It has really become a destination for active tourists, but also for that combined with wine tourism, of which we see evidence. There are direct flights daily from Los Angeles to Kelowna, both summer and winter now. That's yet another example of diversification of a market.

Mr. Kyle Peterson: Thank you for that.

First of all, thank you, everybody, for your presentations. They were very informative. We appreciate the time and effort you have put into this.

Mr. Crawford, did you mention that 98% of your members are small businesses, or that 98% of the...?

Mr. David Crawford: It is 98% of the businesses in British Columbia—

Mr. Kyle Peterson: —the businesses in British Columbia, so that's—

Mr. David Crawford: —and our membership is roughly the same.

Mr. Kyle Peterson: Yes, so that's obviously a significant number.

I think we can agree, or at least our position is, that this trade agreement may open doors or will open doors for businesses, but do you see a role that the board of trade can play in helping members walk through that door, so to speak? Obviously exporting is a good business approach, and there seems to be a capacity for more B.C. businesses to export. Do you see a role that you can play in marketing the importance of exporting to your members?

Mr. David Crawford: Part of my message today is to think forward. Should the Government of Canada choose to ratify the trade agreement, think forward about how to maximize that. To be blunt, I don't think large businesses need much assistance. But there is certainly an opportunity in rural Canada to encourage small businesses that are export viable to bridge the gaps that are there because they just don't know what they don't know about exporting.

I think that organizations like ours could play a role in delivering a service like that, which is tailored to businesses and small business owners who are stretched because they're running their business.... Many businesses grow because of effort and hard work and some forward planning that's tailored for small business. Again, we would point you to the Toronto Region Board of Trade and their trade accelerator program, to customize a program like that, which could be rolled out across Canada and make it easier and simpler to engage.

The part that our members struggle with is risk analysis. They don't understand it. Generally, the finance piece will solve itself through a number of existing programs. But delivering it to business owners who are on the cusp and don't want to establish a brand new factory in another country—they really want to export under a joint venture or licensing arrangement—those opportunities are untapped. When we looked at the research that The Conference Board of Canada did for the Toronto Region Board of Trade, 5% of export-viable companies are exporting. If we can move that by 2%, 3%, or 4%, the economic impact will be significant.

Mr. Kyle Peterson: Mr. Boon, I have a question for you concerning Australia.

Australia already has free trade with Japan. I think you've indicated or at least implied that this is having a prejudicial effect on the ability of B.C. cattlemen and Canadian producers of beef to avail themselves of those same benefits. Hypothetically, let's say that TPP isn't ratified by any of its members. What steps do you think should be undertaken by the Canadian government to get Canadian beef into that market?

•(1225)

Mr. Kevin Boon: I think it's imperative that we have, especially.... For us, the crown jewel has to be Japan; we know that. If we do not enter into TPP, or if TPP does not come out at all, we think that government needs to be taking secondary steps to do a bilateral deal right now with Japan. These deals were started prior to the TPP; we think there has been some work done in that method. It is very important to us to have that deal, so as to be competitive within those markets.

Mr. Kyle Peterson: I have a quick question for Ms. Sayers.

In an ideal trade deal, what components would you like to see present to make sure that indigenous rights are upheld?

Ms. Brenda Sayers: Well, that would be arrived at through consultation with first nations across Canada, but offhand I could say that if there were a clause in there that protected aboriginal rights and treaty rights, that would be quite powerful.

The Chair: The last question is going to you, Mr. Hoback. Go ahead, for five minutes.

Mr. Randy Hoback: Well, thank you, Chair. I feel honoured to be the last questioner of the session, for sure.

Ms. Sayers, thank you for being here today. I think it's important that you've been here, and I'm listening very carefully to what you're saying. I agree that I have more to learn on this aspect of trade agreements and first nations.

Have you done any work looking at what opportunities would be available for first nations businesses in this agreement that you could take advantage of in using this agreement to improve the quality of life in the first nations community?

Ms. Brenda Sayers: Well, there are several first nations across Canada that do business with other countries, definitely, and I'm sure they could expand. However, because we weren't consulted during the making of this agreement, it's difficult to say what we could have lent to the content of the agreement that would have assisted us in expanding that.

Mr. Randy Hoback: Okay, so you haven't done any analysis since the agreement has been ratified and signed to see where the opportunities are that you could look at to say "we could take advantage of this", or "this might be an item we should be spending some more resources on". Have you done any work like that?

Ms. Brenda Sayers: As far as I know, no. As an individual I have not, but there may be first nations across Canada that have. I can't speak on their behalf.

Mr. Randy Hoback: I'd like to hear from them, if they did, for sure, because that would be a very interesting aspect.

It's really unique. The first nations community has such a gem, and that's themselves. I used to travel to Europe a lot. I used to bring European farmers over, and one of the first things they told me is that they wanted to go to visit first nations, wanted to interact with first nations. We took them to Banff, and they went to a token store and bought siwashas and all this kind of stuff. I felt sad, because here they could have toured the first nations, had a Cree experience or another first nations experience, and they would have been enriched by it, but we've never developed that. Maybe you have more in B.C., but I know in Saskatchewan.... They're starting to, but there's definitely more opportunity for the tourism trade to come in and to take advantage of it. I'm looking to see whether we can do more of it, for sure.

Mr. Boon, when we consider the beef sector, we've heard what happened in Korea: you lost market share. You're not going to get that market share back without some hard work and maybe a hiccup in the U.S. or a hiccup in Australia in order to give you access, back in through the door. If we lose that market share with TPP by not being part of it, I think it's fair to say that we could end up going back to the days of four years ago, when a bred cow wasn't worth anything and farmers were basically in dire straits. In fact, I'll give former minister Ritz credit for finding a market for all those cuts—

organs and stuff—that we don't eat or like here in Canada but that other parts of the world like. It added full value to that carcass.

Your analysis, I think, has been fairly thorough. And that's just the beef example. Where would that put our industry, and how would that have a domino effect into communities?

Mr. Crawford, I'm going to come back to you on the domino effect of something like that.

• (1230)

Mr. Kevin Boon: We do rely a lot on what we call the trickle-down effect, where that top filters down to our bottom guys and our grassroots people. The trickle-down effect may be best explained by the fact that if it's cold outside, and you're wearing wool underwear and wool socks, and you wet your pants, the amount that gets to the toes is about what the grassroots guy gets in the trickle-down effect.

We need to be able to counteract that and to expand it, so that we can get the full intent to all levels. When we talk about Korea, it's a very good example in the fact that the U.S. was there first in the last deal, and we have a couple of years to make up in those deals. It's the same with Australia and the TPP. If we're not there at the start, that catch-up hinders our ability to create trading partners individually with exporters and the importers. If we can't get in there and they've already made deals, it's very hard to break that market. It's crucial to be there either with or before everyone else.

Mr. Randy Hoback: And I'll stop you there.

Mr. Crawford, you talked 98% of your businesses having 50 or fewer employees. They may not directly know that they're supporting trade, yet a company that's providing parts, doing maintenance, or fixing their truck, is a company that is doing trade. Have you looked at any analysis on just how it trickles through? It's very substantial per Canadian family how the dollars return back to their pocketbooks by allowing that increase in trade to happen.

Mr. David Crawford: The most visible part that we see is jobs that are attached to goods handling around the ports. They're the most visible part, but you're absolutely right.

We've recently become aware of cases where there are a number of companies, which are already Asian companies, that want to export to Asia. They are establishing manufacturing facilities in British Columbia because of our strong rule of law, if you will. They're establishing facilities specifically to export to other Asian countries, which seems counterintuitive to us. They view the quality of the workforce, and other things that we take advantage of every day and enjoy, as real assets.

We see medium-sized enterprises beginning to look at British Columbia as a launching pad for manufacturing, especially where you have intellectual property involved, because they want to export to certain Asian countries where the rule of law is not that strong. We've begun to see that anecdotally, and to become aware of it.

Certainly when we look at small businesses, there is opportunity in countries where tariffs come off immediately, basically on high-value perishable items.

The Chair: Thank you.

That ends our third panel today.

I'd really like to thank the witnesses for coming here. We do have a website. I think some of you are going to give us some more information through our website or our clerk directly. If we can get that information, we can distribute it. Thanks again for coming.

We're going to have a quick 10-minute break and then come back for our final panel. In our final panel, we're going to have OpenMedia.ca, a software developer, and an ecological economist coming up.

• (1230) _____ (Pause) _____

• (1245)

The Chair: We're going to try to get going here.

We've done well the last few panels, and the timing was good, and everybody got to ask questions.

We have three witnesses here with us. We have Chris Brand. You're a software developer, I understand.

We have Meghan Sali, and you're with OpenMedia.

We have Tom Green, and you're an ecological economist.

You may be well aware of the way we do things. We have five minutes for you to do each of your presentations, and then we give each member of Parliament five minutes to discuss your presentations. If you can't get it all in and it doesn't happen, we'll take it later, because we're going to take this back to Ottawa to try to digest everything we heard today.

Mr. Brand, do you want to start off, as a software developer, with your perspective on the TPP?

Mr. Chris Brand (As an Individual): Certainly.

Good afternoon. My name is Chris Brand. I'm a software developer. I have participated in various government consultations involving copyright and lawful access previously. I appear today in a personal capacity, representing only my own views.

I believe that free markets, with a minimum amount of regulation, give good results. I'm therefore generally in favour of free trade. If the TPP were limited—

The Chair: I'm sorry. I have to sometimes remind witnesses that, because we have translation, you have to slow down a little in case somebody's trying to get the translation. Just take it slowly so that they can get the translation.

Mr. Chris Brand: If the TPP were limited to reducing tariffs and trade barriers, I would support it. Unfortunately, it appears to have

been co-opted as a convenient mechanism for policy-laundering a wide range of other regulatory changes.

Patents and copyrights are government-granted monopolies introduced to address problems with the free market. We need to ensure that these monopolies are absolutely necessary and that they are as narrow in scope and short in duration as possible while still overcoming the identified market failure. I believe that the TPP agreement in these areas fails this test.

I don't believe that criminal penalties are appropriate for copyright violations, as mandated by article 18.68.

With trade secrets, any increase in penalties for misappropriation, as in article 18.69, decreases the likelihood that a whistle-blower will reveal corporate wrongdoing, and the good of society is likely better served by encouraging whistle-blowing.

In 2009 the Canadian government considered extending the copyright term as in article 18.63 and rightly chose not to. Term extension was also not part of the Canada-EU trade agreement. I'm unaware of any evidence that increased copyright terms result in more, better, or cheaper works. There is considerable evidence, though, that increasing the copyright term results in a decrease in works available to the public and an increase in the prices of those works.

When our Copyright Act was amended to make the circumvention of technological protection measures a violation, the government was careful to include safeguards, but article 18.68.4(a) of the TPP seems to disallow.

Regarding patents, articles 18.46 and 18.48 would increase patent duration, significantly increasing the cost of drugs. Article 18.52 would lock in the eight-year term of exclusivity for biologics, when the need for any protection at all is still unclear and the optimum term has certainly not been identified.

Over the last two decades, Canada has granted ever-increasing monopoly rights for pharmaceutical companies, and their R and D expenditure in Canada has dropped from 11.7% of total sales in 1995 to just 4.4% today. Again, I'm unaware of any evidence that increasing patent duration has a positive effect for society as a whole.

It is, of course, vital to remember that Canada is a net importer of both copyrighted works and patented inventions. Any increases to the scope or duration of these monopoly rights will always be to Canada's disadvantage.

One of the most contentious aspects of the TPP is the investor-state dispute mechanism, ISDS. NAFTA was the first trade deal between developed countries to include an ISDS mechanism. Since it came into force in 1994, we've spent millions defending cases, we've paid out millions in settlements, we've repealed legislation, and we still face billions in claims. Two-thirds of claims against Canada involve changes of environmental protection or resource management.

While it's clear that nothing in the TPP's ISDS mechanism actually prevents Parliament from adopting legislation, it's equally clear that any government would think twice before risking subjecting the country to a multi-billion dollar claim. The presence of ISDS mechanisms and the increasing willingness of foreign corporations to use or threaten to use them act as a chilling effect on the government, making them err on the side of protecting foreign corporations rather than Canadians, particularly as the costs are significant even if the case is won.

With the Eli Lilly case, we have a foreign company effectively trying to use an ISDS challenge to overrule the Supreme Court of Canada, demonstrating that foreign corporations will continue to push the bounds of what can be fought using ISDS mechanisms. It would be extremely unfortunate if we were to ratify the TPP only to see the resulting increase in GDP overshadowed by increased health care costs and ISDS settlement payments.

Finally, it's worth noting that the agreement doesn't come into force until both the U.S. and Japan ratify it. As most of the costs would materialize as soon as enabling legislation is enacted, the benefits would only start when the agreement comes into force. It's clear that it makes no sense to enact any of the TPP until both the U.S. and Japan have done so.

• (1250)

The Chair: Thank you very much, Mr. Brand. You did it on time and were very precise. Thank you very much.

Now we're going to move to OpenMedia with Ms. Sali.

Ms. Meghan Sali (Digital Rights Specialist, OpenMedia): Thank you for having me here today to speak as a witness to the Standing Committee on International Trade.

My name is Meghan Sali. I'm a digital rights specialist with OpenMedia. Founded in 2008, OpenMedia is a community-based civic engagement organization working to safeguard the open Internet and bringing citizens' and innovators' voices into Internet policy-making processes.

My hope is that through these public hearings the committee will finally begin to understand the depth of the Canadian public's concern about the Trans-Pacific Partnership and the scope of citizens' disillusionment. We have a right to participate in the decisions that affect our daily lives and yet have been entirely excluded from these negotiations.

Over the past four years, OpenMedia has engaged more than 130,000 Canadians, who have shared their concerns with us on the intellectual property chapter and its serious implications for digital commerce, free expression online, and access to knowledge.

I'd like to note that our work to educate Canadians about the TPP was no easy task, as the details of this agreement were kept secret until the full text was published less than six months ago. Our only means of information was reading the tea leaves of leaked documents and mining information from inside sources. From when the TPP was published, on November 5, 2015, until it was signed, on February 5, 2016, Canadian experts and the public had less than 90 days to assess the impact of over 7,300 pages of this agreement.

I had intended to bring the whole 7,300 pages with me today for reference, and it would have cost me over \$1,100 in printing alone. I'll be the first to admit that I've been unable to read the agreement in its entirety, and I suspect that none of the members of this committee has done so either. Today I'd like to speak to just two issues, in relation to the IP chapter, which I do have here.

The first is what the TPP means for Canada's Internet. If ratified, the TPP will bring 20-year copyright term extensions to Canada, which have been widely shown by numerous experts in multiple international studies to cost consumers money and will actually make it more difficult for the next generation of artists and creators to create new works.

The Canadian government speaks sweepingly about promoting and protecting Canadian art and cultural heritage, yet the TPP will ensure that less Canadian culture is shared here at home and with the world. Additionally, the TPP will cement restrictive rules around digital locks, rules implemented in advance of Canada's entry into the TPP negotiations and later shown to be a price of entry demanded by the U.S. government.

These draconian digital locks will eliminate individuals' autonomy over their legally purchased digital devices, making it illegal, with potential criminal penalties, to modify, repair, recycle, or otherwise tinker with the digital device or its contents. These rules will further disadvantage communities whose interests we already fail to consider: the deaf, the blind, and persons with disabilities, who are often locked out of the necessary means to access knowledge—and culture, even—when trade in these necessary circumvention technologies is criminalized.

Additionally, the flawed notice-and-take-down system in the U.S. will be extended to all TPP nations. While Canada has secured an exception for our superior notice-and-notice system, this came at the price that no other TPP country, current or future, will be allowed to follow Canada's lead and work to strike a copyright balance that respects users' rights to share and collaborate while ensuring that artists are fairly compensated for their work.

In fact, this regime will see Canada's Internet censored, along with all of our TPP partners. As more and more art and culture are held captive and copyright regimes treat the rights of corporations as paramount, more legitimate legal speech will be taken down from the Web and we will see our collective cultural exchanges weaken and shrink.

As many of you may be aware, in 2017 Canada will undergo a mandatory copyright review, and none of the problems I've mentioned will be easily fixed as we live with the regulatory chill that comes along with the looming threat of multi-million- or even billion-dollar lawsuits from the TPP's ISDS mechanism.

Now, briefly I'd like to speak to the negative impacts for our economy and for Canada's digital future. We sit here today a stone's throw away from Vancouver, home to one of the fastest-growing sectors of our economy, technology and innovation. The tech sector in Vancouver alone generates more than \$23 billion in revenue and \$15 billion in GDP, according to Vancouver's economic commission.

Canadian innovators from BlackBerry co-founder Jim Balsillie to the CEO of Canadian tech success Shopify have raised concerns about the IP regime that serves to entrench American dominance in the innovation sector and about an agreement negotiated by a government that made no effort to consult or engage with leaders in this industry.

In particular, the anti-competitive DRM provisions block experimentation and innovation and coupled with restrictive trade secrets provisions threaten entrepreneurship and lack the necessary safeguards to protect against the abuse of these rules.

These are only two of the myriad issues that Canadians have been raising with the committee over the past month through a cooperative campaign to educate and engage Canadians through consultation on the TPP. Our tool can be found at LetsTalkTPP.ca, and already over 15,000 messages have been sent to members of Parliament, the Standing Committee on International Trade, and the international trade ministry.

OpenMedia is just one of dozens of organizations in Canada sounding the alarm about an agreement that violates our sovereignty under the cloak of secrecy and tells us that we can have our say only now, after the deal is already done.

I am here to speak to you today about the intellectual property in the Trans-Pacific Partnership, but there are larger issues at play. Right now, the government is involved in a process that lacks basic, democratic legitimacy.

• (1255)

I am honoured to be one of only a handful of chosen witnesses from the 35 million Canadians who make up this country, but five minutes to speak to the egregious flaws in a 7,000-page agreement that took nearly 10 years to negotiate is not enough. It is not enough that Canadians are now being asked for forgiveness after being excluded from the process when we should have instead been asked for permission and our input in a manner befitting our democratic traditions.

In closing, OpenMedia and the Canadians we have consulted are eager to share more of Canada with the world through open trade

policies that are developed through debate and participation by those impacted, but we are against trade agreements made in secret and closed off from the public, especially those that will negatively impact our freedom of expression and compromise our digital future.

Thank you.

The Chair: Thank you.

We're going to go to our last panellist for the day.

Mr. Green, you have the floor for five minutes.

Mr. Tom L. Green (Ecological Economist, As an Individual): Thank you.

That's going to be a tough act to follow, Meghan.

I'm Tom Green, an ecological economist, and I'm probably the first ecological economist that you've had here today or maybe during all of your hearings. I was doing a radio interview recently and the interviewer had a problem putting those two words together. That's precisely the problem. Most economists are trained without any understanding of the environmental sciences or the feedbacks between the economy and the environment and how a degraded environment eventually affects our economic prospects and human well-being.

I also feel a lot of pressure, since I'm one of a couple of individuals selected not because I represent someone, but just because I wanted to come and speak to you as an individual.

I also have a Ph.D. in ecological economics, so maybe I'm not just an ordinary middle-class Canadian. I'm associate faculty at Royal Roads University. I also prepared a written submission but didn't have time to get it to you to have it translated. You'll get that eventually.

Ecological economics arose out of a collaboration between economists and ecologists in response to the growing ecological crisis of the sixties and seventies and realizing that these two disciplines needed to speak to each other much more effectively. Our theoretical framework offers a broadened lens for looking at things such as trade policies that are usually omitted from conventional economic analysis. The problem as I see it now is that basically it's like having an accountant who just loves adding up all the asset side of things but is not so interested in looking at liabilities, and that's not going to be very useful for you in deciding whether you want to invest in a company or give them a bank loan or whatever.

Most analysis done of these trade agreements has paid too little attention to the environmental externalities of trade, such as trade's impacts on greenhouse gas emissions, for instance, and the extraction of resources. I was really impressed with Brenda Sayers' comments about all these companies talking about how this trade agreement will affect them but forgetting that it involves the lands, the indigenous lands, where these resources are being extracted, often without prior and informed consent.

We broaden the lens, and I think that's why I wanted to be here today to speak to you. We also tend to emphasize that just because GDP increases, it does not mean that human well-being is increasing. In fact, the reality is that since about the mid-seventies in rich countries in the world, GDP has been going up and human well-being has been flatlined. I think that's partly because we have the problem that most of the wealth is accruing to the one per cent, and also because we've seen the general implementation of a very neo-liberal approach to the economy, where the powers of corporations are ever stronger, and the ability of nations to regulate as they need to in order to secure human well-being, and to create resilience for communities and so on, is given ever less room.

Even when one looks at this agreement from the conventional economic lens, it's not that good. I think Krugman is right in pointing out that "the elite defense of globalization is basically dishonest". It's overstated, and the downsides are often forgotten. We already have a world with a lot of free trade because we've had so many regional free trade agreements, and we've had the GATT round and all those kinds of things.

Tufts University did an estimate and said that Canada would lose 58,000 jobs between now and 2025, but for me, as an ecological economist, that's not the key concern. The key concern is that at this moment in history we are facing a critical climate crisis. This trade agreement should be drafted in a way that ensures we can take the measures necessary to deal with that, to reflect the Paris commitment, and to reflect this current government's ambitions regarding that.

Instead, the investor-state dispute settlement provisions that my colleagues have referred to reduce the leeway to do that. On the environment, the chapter 20 wording is completely unenforceable and not meaningful.

• (1300)

The Chair: Excuse me. Could you please wrap up, sir?

Mr. Tom L. Green: Yes.

In other words, I would suggest that this committee recommend that this agreement not go ahead, and in my submission I have some recommendations for some things to fix it.

Thank you.

The Chair: Thank you, witnesses. We're going to start our questioning by the MPs, who have five minutes each. We'll start with Mr. Hoback from the Conservative Party.

Mr. Randy Hoback: Thank you, witnesses.

It's very interesting, and I'm going to start off with you, Ms. Sali. You talked about not being able to be involved in the process. That really concerns me, because in January or February of 2014, the

trade committee was in Vancouver and had hearings just like this. Anybody could have come and listened to those hearings.

Voices: No.

Mr. Randy Hoback: We were there. It's on the record—on the Internet, actually.

I guess my question to you is this: what attempts did you make to get involved? Were you turned off or turned away and told, no, you can't participate? Were you willing to sign a non-disclosure agreement so that you could actually be part of the process, which a lot of organizations signed so they could actually see what went into the agreement and have input into what went into the agreement? Did you look at that, or were you involved in anything like that?

Ms. Meghan Sali: OpenMedia, over its four years of working on the TPP, has attended multiple Trans-Pacific Partnership negotiating rounds. I've been to two myself; my colleagues have been to some. We've attempted to set up meetings with all of the negotiating partners who are international organizations, so we've met with many of the different negotiators from lots of different countries. Most recently, I met with them in Washington in December 2015.

I think it's worth noting that 600 corporate lobbyists were allowed access to the full text and probably wrote many of the provisions that we now see in the Trans-Pacific Partnership. But inviting people to a public hearing, while it's fantastic that we're actually taking this step, doesn't necessarily involve their input into drafting the agreement. I think it's worth noting that even the Canadian negotiator wouldn't meet with OpenMedia, an organization founded in Canada, with hundreds of thousands of Canadians speaking out about this issue. They refused to meet with us. They refused to hold up their promise to not degrade Canada's copyright legislations when our executive director, Steve Anderson, met with her in Auckland in 2012.

So we have been taking every opportunity.... In fact, when Steve was in Auckland in 2012, what they called the stakeholder meeting was basically a group of kettled protesters standing outside of the hotel. I think the concept that folks haven't engaged properly or haven't looked for those channels isn't necessarily it.

To your last question, we wouldn't sign a non-disclosure agreement because we believe that Canadians have a right to know about what we're discussing and what kind of negotiations we're having. Although, I will mention that we were accidentally sent a non-disclosure agreement by one of the other negotiators, and we had a good look through it. That was interesting to us to see what kinds of restrictions were being placed on the public officials, even of other countries, to not tell their own citizens about what was going on.

Voices: Oh, oh!

• (1305)

The Chair: I'll remind the audience to just take it cool a bit, because we're going to bite into a whole lot of time here. You want to probably hear a lot more that we're not going hear otherwise.

Mr. Hoback, you still have at least two minutes.

Mr. Randy Hoback: Actually, Chair, I don't mind. I think this is one thing about Canada that's great. We can agree and disagree and we can cheer our positions. It makes our country great. I've been in a lot of other regions in the world where they can't do that, so if that cuts into our time, so be it. I just want to make sure that what we're hearing here today, what everybody's hearing today, is actually fair and balanced, and not a perception based off one side or the other.

That's why I'm concerned, Ms. Sali, when you say you weren't part of the consultation process, and then I find out you've been attending the different sessions. You've been able to be involved for the four years and to be part of the process for being there. You went to these meetings. You met in Washington. You were involved in every aspect of it.

You also have access to your local member of Parliament. You have access to a lot of other people to whom you could say, hey, I have some serious concerns.

Who would be your local member of Parliament here? Would it be Mr. Davies, or—

Ms. Meghan Sali: My local member of Parliament is Jenny Kwan, Vancouver East.

Mr. Randy Hoback: I guess that's what I'm trying to say. There's always that venue: to go through your member of Parliament to have access to what's going on. There's always that—

Voices: Oh, oh!

Mr. Randy Hoback: Well, there should be. There is in my riding, I'll tell you that. I listen to everybody. I don't care who you voted for. If you come into my office and you want help, you get help. So yes, that concerns me.

Mr. Brand, you talked about different parts of the agreement in great detail. This agreement's done. Basically, it's signed. It was signed in New Zealand by the minister. It was finished off in November, so whether you're a Conservative or a Liberal, you were part of seeing this deal come forward. It's not a—

The Chair: I'm sorry. Your time is up. You're going to have to let your partner ask that question when he gets a shot at it.

Ms. Ludwig, you're up for five minutes. Go ahead.

Ms. Karen Ludwig: Thank you for your presentations.

According to Global Affairs Canada, “The inclusion of environmental commitments in free trade agreements provides assurance that any increased economic activity as a result of” these agreements “will not occur at the expense of environmental protection”.

That's according to Global Affairs Canada. How and to what extent could increased trade between Canada and the TPP countries negatively affect the environment in Canada?

Mr. Tom L. Green: First of all, I appreciate your bringing their analysis of it, because I went to the website and read through their

technical summary of the environmental chapter. I honestly thought they were referring to a different agreement, because if you actually read the text of chapter 20, you see that it's completely unenforceable and meaningless. It just doesn't make sense. Yet what's written here—I have it right here in front of me—is that it “[p]rovides ambitious environmental obligations” and so on. That's just not the case.

As an ecological economist, let me say that there's good trade and there's bad trade. You definitely need trade happening in the world. I'm not suggesting that you wouldn't want it. You want trade in solar panels going to places that are now burning coal, so that's great, but the TPP has very little about changing the amount of trade by changing tariffs and that kind of thing. It's about throwing in a whole bunch of other things that are deeply problematic, including the fact that you reduce the ability of different states to take action on climate change. That would be my assessment.

• (1310)

Ms. Karen Ludwig: Okay. So on that one, what would you suggest, then, as provisions to be included in the environmental chapter of TPP in order to ensure enforcement of environmental laws in the TPP countries?

Mr. Tom L. Green: The first thing I would do is go over the investor-state dispute settlement chapter and make it crystal clear that you're not reducing the regulatory space of states to take action on climate change and other things. The other thing I would do is get a good environmental lawyer, of which there are many in this country, and have them redraft the text to make the text go from this nice language of motherhood and apple pie to actual stuff that has legal content. I'm sure that as people who draft the laws that we now are under, you understand the difference between “should” and “shall”, for instance.

I'm sorry that I can't give you a whole range of specific actions. That's not really my expertise in terms of legal drafting.

Ms. Karen Ludwig: The Trade Justice Network has stated that the TPP could erode Canadian cultural protections such as foreign ownership restrictions in broadcasting and publishing.

That said, according to Global Affairs Canada, the TPP “[i]ncludes a broad reservation under Services and Investment for existing and future programs and policies with respect to cultural industries that aim to support, directly or indirectly, the creation, development or accessibility of Canadian artistic expression and content”.

How could the TPP lead to an erosion of Canadian cultural protections?

Ms. Meghan Sali: For more information on this question, I would really encourage you to take a look at the work done by Professor Michael Geist. He has done some excellent work on copyright and Canadian cultural content. I think he really points his laser beam focus on the ISDS provisions. It's not necessarily that there is a piece of ruling that says in the TPP that you can or cannot do certain things. It's that we live under a constant fear of being sued if we do try to do things.

For example, Michael Geist said:

The TPP adopts a different approach with exceptions to the cultural exception. That includes limitations on financial contributions for Canadian content development and measures restricting access to online video content. While there is some debate on the full implications of the TPP provision, it seems certain that attempts to expand the Cancon system would be challenged under the agreement.

We would, regardless of whether or not there is a specific clause in the TPP saying you can or cannot do these things, certainly be challenged by our largely American huge media companies south of the border, who don't want to see these policies expanded. I think that's where we recognize that a government that is promoting Canadian culture and that wants to see the expansion of Canadian culture has to come to terms with that.

Ms. Karen Ludwig: In what ways could we look for greater protection of intellectual property for pharmaceutical products?

The Chair: Your time is up, but you know what? That sounds like a good question that you could give to your colleague in the next round.

We're going to go to the NDP now.

Madam Ramsey, you have five minutes. Go ahead.

Ms. Tracey Ramsey: I'd like to thank you for your presentations today.

Meghan, of course, you represent OpenMedia, but I'd really like to thank Chris and Tom, because I think this is an excellent example of everyday Canadians understanding trade deals, understanding the implications, to ourselves, our communities, and our lives.

Meghan, I'd like to go a little deeper. You talked about the price to entry that we had when we entered in 2012, and how we had to accept restrictive rules around digital locks, going so far as to call these rules "draconian". You stated that this was a price to entry.

Can you elaborate on the concept of Canada's price to entry and late entry to the talks, and how that has put us at a big disadvantage?

• (1315)

Ms. Meghan Sali: Absolutely.

Once again, Professor Geist has done a lot of fantastic work on this.

Essentially, we see in the TPP, and we see through access to information that has been done in the last several years, that there is a price of admission for Canada to enter the talks, and that originally the U.S. actually didn't want us to be a part of the Trans-Pacific Partnership.

While we were doing our copyright review and passing the Copyright Modernization Act in 2012, there was a U.S. demand on

copyright and anti-counterfeiting reforms as a condition of entry. Just prior to entering negotiations, Canada agreed to these further conditions, and also that it can't hold up any chapter of the agreement if it is the lone opponent, which we did find ourselves, as many of the copyright provisions....

We have one of the more flexible systems of intellectual property and copyright that attempts to strike that balance with the rights of the public. The access to the public domain, as we all know, creates excellent innovation and opportunities for us to innovate and share culture. Unfortunately, we were the lone resister at the end with copyright terms, and we had to cave. We ended up with 20-year copyright term extensions, and in fact we ended up with absolutely no phase-in period for copyright term extensions.

If Canada ratifies the TPP, we will see 20 years of nothing at all entering the public domain. The costs to consumers are estimated at hundreds of millions per year. I think it is worth recognizing that TPP negotiators and senior officials were absolutely warned that Canada was at a disadvantage going in, yet nothing was done to address the issue.

Ms. Tracey Ramsey: You briefly touched on the notice-and-takedown regime that is used in the U.S. and would be extended to all TPP member states. You characterized it as deeply flawed. In Canada, I know we have a notice-and-notice.

Can you explain your position and how this new regime differs from our existing rules?

Ms. Meghan Sali: Absolutely.

I think one of the only reasons we ended up keeping this in the TPP negotiations was that we fought a bloody political battle to get this and there was a lack of will in the House of Commons to go back and refight that battle.

Canada's notice-and-notice system is the pair to the notice-and-takedown system. It means that if a copyright holder sends a notice to a host of online content in the U.S., under the notice-and-takedown system, it's taken down immediately. In Canada, we have a system that both protects the privacy of individuals and also protects our free expression rights. If a copyright holder sees something that they believe infringes their intellectual property, they can send a notice that is then transmitted through the ISP of a Canadian without the identifying information attached. It says "We notice that this is infringing our copyright. Please take it down."

There are several studies that have shown this has been effective, as fewer second and third notices are sent and people stop infringing content. It preserves our ability to express ourselves freely online. In effect, we're the envy of the world. Many people around the world have taken a look at Canada and said this is the way forward. Unfortunately, under the TPP, it's not the way forward, as Canada is the only country that will be allowed to continue the use of notice-and-notice. If I'm allowed to speculate, I imagine that there will be pressure to get rid of our notice-and-notice system in the future.

Ms. Tracey Ramsey: With your website, you mentioned that LetsTalkTPP.ca has already received over 15,000 submissions, which have been sent to members of Parliament, the committee, and Global Affairs. You also mentioned you had a broad outreach of 130,000 Canadians. Are you surprised by the level of feedback that you received—the 15,000 submissions?

Ms. Meghan Sali: Yes. The barrier for our people to submit was very high. We made sure that the committee had all the identifying information they needed to officially consider all these messages as briefs, which include full address, phone number, email address, more things than we normally ask for when we ask people to engage. And we were shocked at the number of people, both in French and in English, who engaged with this tool and raised concerns across a number of issues, not just on the digital file but on the economy, health care, jobs, and the environment.

Ms. Tracey Ramsey: Can you elaborate a little? We talked about the 20-year copyright term extensions in Canada. If the Canadian government were to renegotiate copyright terms in the TPP, what would OpenMedia like to see?

Ms. Meghan Sali: We certainly wouldn't like to see any copyright term extensions, and we know them. In the 2015 federal budget, we saw the copyright term extensions extended to life of the author plus 70 years, which is the standard of the TPP, and we would certainly like to see that repealed. We said life of the author plus 50 years right now, and we'd like to have a conversation in our 2017 copyright review about whether or not that is an adequate measure or whether or not we can roll that back. Not under the TPP, we'll be sued.

The Chair: Thank you.

We're going to go back over to Mr. Dhaliwal.

Mr. Sukh Dhaliwal: Thanks to the panel members.

To the panel, one thing I want to put straight on the record is that signing the agreement, I'm sure you understand, is not getting into the agreement. Our government, the Prime Minister, and also the Minister of International Trade have made it very clear that they will do public consultations before they ratify the agreement.

I'm sure you're aware that the minister, during her early mandate, was here in British Columbia consulting with the general public, and we, as a committee, are here today consulting with British Columbians.

Can you tell me what else the government can do so you see that the government is consulting with people?

• (1320)

Ms. Meghan Sali: I can speak to that briefly.

Mr. Sukh Dhaliwal: Briefly, yes.

Ms. Meghan Sali: I've been talking a lot.

I would say that we would like to see town halls. We would like to see opportunities for actual members of the public, these people sitting behind me, to have their voices heard.

It's fantastic that we've had this opportunity. There are, I think, 12 witnesses per city, and while that's great, as I mentioned, Canada is a nation of 35 million people.

We would like to see an online component, where folks can engage with a discussion and a debate, where they can pose questions themselves, and where individuals who don't represent organizations, like me who has the privilege to come and sit here today, can get their views across.

Mr. Sukh Dhaliwal: That's very fair.

Dr. Green, you and I, and other members of Parliament here, might not be ordinary middle-class Canadians, but you and I can be a source of good in those middle-class Canadians' ways of life.

Instead of outright objecting to this agreement, how can you constructively be part and parcel of the input so that this agreement is good for middle-class Canadians?

Mr. Tom L. Green: If we were at the point where the text was actually open to being renegotiated, I think basically what the Government of Canada should do is go back to the partners to the TPP and say, look, our people aren't happy with this, and actually, this was negotiated by a previous government that didn't have climate change on its radar, didn't really understand the environment and economy interface, and we seem to have an agreement here that's not going to work for us.

In terms of the consultation question, one thing I'd love to see.... If you go to the Government of Canada website about the TPP, it's not the kind of text that helps give you an independent reading of the agreement. It's already written as if the Government of Canada really wants to ratify the agreement. I find that deeply disconcerting. I'm just referring to chapter 20, the way it's written about all these protections it provides, and yet they don't match the text.

That would be a great thing to do for public consultation, to get more neutral in there and more independent, not so rah-rah-rah.

Mr. Sukh Dhaliwal: Mr. Brand, you mentioned that if the U.S.A. and Japan ratify, we should ratify. I am certain you are aware that Japan is fast-tracking when it comes to ratifying, and the U.S.A. is going through its election process. If the U.S.A. and Japan ratify this agreement, would you be able to support it without any constructive changes to the agreement that we have?

Mr. Chris Brand: The point I was making was that there is a provision in the TPP that it only comes into force if 85%, I believe it is, of the total GDP of the member countries actually ratify it. Given that 85% number, that means that if either Japan or the U.S.A. decides not to ratify it, then the agreement would not come into force at all for any of the countries. My point was that, unless we know for sure that is going to happen, if we were to implement enabling legislation prior to Japan and the U.S.A. ratifying it, this would be us adopting all the disadvantages of the TPP without necessarily getting the advantages, because perhaps the U.S.A. cannot ratify it.

Mr. Sukh Dhaliwal: Do you see any advantages in ratifying this agreement if Japan and the U.S.A. do ratify it?

Mr. Chris Brand: My real feeling is that there are more disadvantages in the TPP than there are advantages. The free trade part of the TPP, I like; I'm in favour of that. If you could cut out all the other stuff, then I would say yes, go for it, but with all the other stuff that's in there, I think the disadvantages of it outweigh the advantages.

• (1325)

The Chair: Thank you.

Mr. Peterson, you have five minutes.

Mr. Kyle Peterson: Thank you, everyone, for being here and for participating in the panel.

I have what I think is a quick technical question on the copyright provisions. I'm having a little trouble technically in understanding the difference between how that process would work under the TPP and how it currently works, especially in light of annex 18-E of the agreement, which I'm led to believe allows Canada to continue using its notice-and-notice system. Can you add some clarification to what the process would be under TPP and how it differs from what we do in Canada now?

Ms. Meghan Sali: Yes, certainly. I'm happy to provide clarification there.

Canada was one of the only countries—Canada and Chile—that received carve-outs for their current copyright system. Canada will be able to continue to operate on a notice-and-notice system. I think the larger point is that we do not live just in Canada, and the global Internet is larger than just our Canadian borders. In fact, I would say that probably most of the content that people access every day on the Internet is hosted outside of Canada.

So while Canada will get to keep its notice-and-notice system, the 10 other nations of the Trans-Pacific Partnership, minus Chile, will be required to implement the notice-and-takedown system, which means that we will see more content disappear off the Internet. Whether or not it's in Canada is kind of outside the point.

I think the other point that has been well made by experts is that we should be looking to set an example for the rest of the world and to bring more of Canada to the world through these trade agreements. We should not have these fantastic ideas that we've had and have implemented in Canada—to the envy of the world—relegated to just Canadian citizens and not implemented in the rest of the world.

Mr. Kyle Peterson: Okay. The U.S. is now using notice-and-takedown, correct?

Ms. Meghan Sali: They are.

Mr. Kyle Peterson: Okay. I wanted to clarify that in my head. It was a little unclear, probably my fault, so I appreciate that clarification.

Outside of intellectual property, I think you are all in agreement that the terms, the provisions, of ISDS are lacking in this agreement, but I don't think anyone's gone so far as to say investor rights deserve no protection. Is there an ideal regime, provisions that you would like to see that would uphold investor rights without perhaps undermining state rights at the same time?

Mr. Tom L. Green: I think Gus Van Harten at the Osgoode Hall Law School has done a lot of research on the whole ISDS provisions. One of his arguments is you don't need to have these kinds of provisions, and he recommended that we push back, and go back to using court systems and that kind of thing. The UN also had their representatives, independent experts on promotion of democratic and equitable international order.

The scope of the need for reform in the system is quite vast, especially given the kinds of judgments that are coming out that are not appealable.

Mr. Chris Brand: There is also a kind of middle ground where, in the Canada-EU trade agreement, the ISDS provisions were renegotiated after it had been signed, and they added a lot of extra safeguards, mostly because the agreement was not going to be acceptable to Europe with the ISDS provisions as they were.

I personally favour these options, but if you weren't able to go that far, you could at least model it on the Canada-EU trade agreement.

Ms. Meghan Sali: What has been well pointed out by others as well is that ISDS provisions don't serve a place between industrialized nations with fully formed court systems. What we are going to see in the ISDS provisions, which I recently found out and which shocked me, is that the corporations involved in the disagreements get to appoint a single judge, and then that judge gets to appoint the next judge. That is hugely concerning to me. That bears none of the hallmarks of a legal system and a judicial system in Canada that we consider to be open, transparent, and accountable.

Mr. Kyle Peterson: I have some familiarity with Canada's judicial system, being a lawyer and a litigator. I can assure you that these private arbitrations and mediations happen in the Canadian judicial system too. Parties agree on appointing arbitrators. It happens all the time. It's not that unusual in the judiciary world.

Just to make that distinction, this happens all the time. Parties can agree on how to settle their own disputes, even in our Canadian system. I just wanted to point that out.

Do I have any time left, Mr. Chair?

The Chair: You just have a half a minute.

Mr. Kyle Peterson: The only other issue that I wanted to raise—actually, Mr. Brand brought it up—is that the new ISDS under CETA appears to have, among other things, appellant rights or the right to appeal. Is that a component or a feature that you would look at as, let's say a valuable addition to any changed ISDS provisions?

Mr. Tom L. Green: It's critical to have appellant rights, and I was actually going to point out the example you just gave of parties being able to go to an arbitrator.

They would be able to access the court system if that didn't work out, and yet we don't have that parallel in international agreements.

• (1330)

The Chair: That wraps up your time, Mr. Peterson.

We're going to go to the Conservatives, and Mr. Ritz, for five minutes.

Hon. Gerry Ritz: Thank you for your valuable testimony here today. It's very interesting.

Mr. Brand, you're a software developer. Do you have any of your software development under patent now?

Mr. Chris Brand: I don't actually hold any patents. I did apply for a U.S. patent at one point, but the company I was working for at the time decided not to go through with it. It wasn't worth the expense, basically.

Hon. Gerry Ritz: No, I understand that. You actually have better coverage when you're applying than when it's actually in place, at the end of the day.

An increase in patent coverage is not a bad thing if you hold a patent, right?

Mr. Chris Brand: True. It's good for the patent holder, for sure.

Hon. Gerry Ritz: It's good for the patent holder, but it may not be good for generics coming out of it later on. I know that in Canada right now we have a bit of a patchwork. I did some of this patent work years ago. There is a basic number of years, then there are appeals, and it goes on and on. Right now some of our patents can be held for up to 28 and 30 years simply running through that appeals process.

Under the new provisions in both the CETA and the TPP, it's 20 years, done. There's no more pushing it past. So in a sense, in a lot of cases you could see generics come onto the system sooner rather than later. That's just one point.

Mr. Chris Brand: There are also provisions, though, to do with extending the patent based on delays in issuing times and things like that, which I think are—

Hon. Gerry Ritz: Right. And that comes to governments of the countries to actually—I can't say “get their shit together”—do the job and get it done sooner rather than later, and not drag their heels, which is good.

Ms. Sali, you talked about your international footprint. What countries are you represented in? When it comes to the TPP groups, the 12 that were there, how many do you have footprints in then?

Ms. Meghan Sali: I would say we have our biggest contingencies in the U.S. and Canada, and in New Zealand and Australia. We work mainly in English, so obviously that's a barrier to us. We also do

have community members in Japan and we have community members in Chile and Peru. I'm not entirely sure how many we have in Malaysia, but I could certainly look.

Hon. Gerry Ritz: No, that's great. You've covered the deck, so you're good to go.

Were you making these same arguments in each one of the member countries?

Ms. Meghan Sali: Absolutely, yes. When I spoke with the negotiators in the last round that I attended, I gave them a very similar presentation to what you heard today.

Hon. Gerry Ritz: Are there any other countries that are receptive to it and are looking at it?

Ms. Meghan Sali: Broadly, I can say, from what I have heard from negotiators from different countries and also just members of different countries who are raising concerns with us—and this is one of my biggest concerns about the intellectual property chapter—that it exists to extend a U.S. dominance in this industry. That is basically what every single country's negotiator told me when I spoke with him.

We don't have a lot of chips to bargain here. Unfortunately, in the economy of the future—in the intellectual property economy, in the innovation economy—we are stuck with whatever the U.S. tells us we are taking.

For example, the negotiator from Brunei told me, flat out, “You know what, I didn't find a non-disclosure agreement, and I don't care.” He said to me, “What does Brunei really have to bargain with here at the table? What do we really have to do? We don't even have the technology to implement some of the pieces of the Trans-Pacific Partnership's IP chapter, yet we are being forced to accept it.”

They are negotiating on a much more of a—

Hon. Gerry Ritz: Go along to get along.

Ms. Meghan Sali: Yes, precisely.

Hon. Gerry Ritz: There is a certain sector, though, that says “a high tide floats all boats”. Everybody's looking at gaining something, and there may be some trade-offs and so on.

I know, and you made the point, that Canada fought hard to retain our notice-and-notice, as did Chile. Are you concerned that, should we rip the band-aid off and go back in to try to renegotiate some of these chapters, we could be at risk of losing that?

Ms. Meghan Sali: I think that Canada shouldn't accept an agreement where we give that up. Certainly, I believe that we should

Hon. Gerry Ritz: I don't disagree. I know it was a hard-fought battle.

A number of the chapters were written by the time we actually got involved, and we were able to go back in. One thing that we saved, from the agricultural perspective, was the cheese compositional standards, which makes a difference of \$700 million to \$800 million to our dairy industry every year. That was in one of the chapters that was locked and loaded, but we were able to go back in and actually make that deal. So there were some wins at the last minute.

Finally, Mr. Green, on your presentation, you talked about aboriginal rights on resource development being trampled on with no prior consent. Do you have an example of that?

I know in my country.... Now, we do have treaties, and you don't have the luxury of that in British Columbia. There are a tremendous number of first nations groups, some in my own riding, that have developed their own oil rights, their own gas rights. They're major players in the energy sector, and they're doing extremely well with it.

I'm just wondering if you have some examples where some, with no prior consent, have actually had those rights pushed aside.

• (1335)

Mr. Tom L. Green: Yes. I've worked with first nations over the years. I used to be an environmental adviser to the Innu Nation in Labrador, but I've had experience in different ends of the country. I worked with the Xaxkli'p First Nation a number of years ago. I was part of the Great Bear Rainforest agreement, which had a lot of first nations in it, and I'd say that is actually a model of where consultation was happening; the first nations were driving the process. I'm very optimistic that we can actually do more of that, and that's what I would like to see.

You can go through the list of a lot of mines and projects that are going ahead where a first nation is blockading a road. I was at a benefit earlier this month where they were trying to raise money for their legal defence about a pipeline going through their property. If you look at the pipelines, you can pretty well look at a lot of first nations that are saying, "We want consent over this because of how we see it affecting our traditional territories".

The Chair: Thank you.

We're going to go over to the Liberal side and Mr. Fonseca.

Mr. Peter Fonseca: Thank you, Chair, and let me thank all of you for broadening the awareness of the TPP and for helping educate a lot of the public. Being outside that Ottawa bubble here in beautiful B.C. and Vancouver and seeing all the public, we're delighted to have everybody here and that you're so vocal. That's what we want to hear. That's why we're on the road. That's why this is a public consultation; we want to hear from as many Canadians as possible.

I want to thank Ms. Sali. I hadn't received an email on TPP in my riding till OpenMedia fired it up in my email box, and I don't know how many came in, 20 or 30. I'd like to get back to all my constituents and have an opportunity to speak with them. That helps us in doing our jobs.

Mr. Brand, where do you see the biggest gains and losses in a fully implemented TPP agreement, if it were to be ratified?

Mr. Chris Brand: I don't know that I can speak to the whole agreement because as noted there are an awful lot of words there.

There are gains on the trade side for sure. Gains are projected to Canada's GDP as a result. Depending on which economist you listen to, they could be reasonable gains or small gains. They don't sound as if they're overwhelmingly big even on the best projections. I think the best projection I saw was just under 1% in 10 years or something.

The losses.... I'm here representing as an ordinary Canadian. The drug and health care costs are one of the big concerns I see, because of the reduction in the ability of companies to market generics because of the patent side of things.

Mr. Peter Fonseca: Ms. Sali, if we added the 20 years for the protection years in terms of our IP, what would be the gains and losses to Canada if that change were adopted?

Ms. Meghan Sali: As many other witnesses have mentioned today, we do not have a comprehensive cost-benefit analysis of the Trans-Pacific Partnership here in Canada so I really can't claim how much we will lose. New Zealand's government has done a full cost-benefit analysis, and on just the copyright terms alone, they estimate that it will cost \$55 million a year for consumers, and that's in a country that's a ninth of the size of Canada. We've seen the potential cost to Canadians estimated in the hundreds of millions of dollars.

It's also worth nothing that—if I can use a brief example—this is killing Canadian business models. A couple of years ago a Beatles record came into the public domain, a recording of it, and a small company called Stargrove Entertainment started selling these public domain copies very cheaply. Unfortunately due to lobbying by Sony, which previously held the copyright monopoly, we saw the federal government extend copyright terms for sound recordings, just that select piece, for 20 years. Unfortunately it killed that Canadian business model. Not only are we going to see consumers suffer, but we're also going to see Canadian business models suffer, and we're potentially going to see artists and creators receive less revenue because in those alternative methods, the creators, the artists, the people who wrote the songs or whatever the art is, are actually still being compensated.

Mr. Peter Fonseca: Mr. Green, in the environment chapter of the TPP, the provisions that are included in the agreement, would these be sufficient to ensure enforcement of environmental laws in the TPP countries, including ours?

Mr. Tom L. Green: No, I don't see much in the chapter 20 that's very useful.

• (1340)

Mr. Peter Fonseca: So our domestic laws would be our domestic environmental laws?

Mr. Tom L. Green: The thing we have to keep in mind is, we've got 12 nations with very different levels of environmental regulation. One thing that's been shown empirically is, you can shift production to pollution havens when you have high regulations in one country and lower in another and you have a free trade agreement that encourages people to go to the lowest cost producer. That would be one of the concerns I would have with this.

Mr. Peter Fonseca: If the TPP were to be ratified, what ecological threats to Canada would you see?

Mr. Tom L. Green: Well, at a global level, there are so many threats to the environment. We've lost 50% of our wildlife in the last 40 years. That's a pretty serious indicator.

It means that more of this kind of economic activity is happening without sufficient environmental provisions in all the participating members of the bloc. It's just not the direction we need to be going in.

The Chair: Your time is up.

We have five minutes left and, Mr. Van Kesteren, you have them. You're up.

Mr. Dave Van Kesteren: Thank you for being here. It's been very informative.

I think it's been stated before, and it should be stated again, that it's good to get perspectives from all sides of our Canadian society.

Ms. Sali, I don't know if you testified before committee in the past when we were struggling with IP. It's tough stuff. It really is tough. There are so many different factions that are looking to gain an advantage. We try to balance that with the rights of individuals and companies and citizens in general. I appreciate what you're doing.

I know that we've heard Professor Geist a number of times at committee, and he always gave, I would say at least a very interesting perspective—thought provoking.

Mr. Brand, I appreciate your input too. It's cause for concern.

I think Mr. Ritz probably laid out some good points that we need to consider as well.

Mr. Green, I must confess that I had not ever heard of an environmentalist economist or environment economist.... Forgive me.

Mr. Tom L. Green: Ecological economist.

Mr. Dave Van Kesteren: Ecological economist. Yes, thank you.

Great. I think that's wonderful.

You mentioned something. I just want to give you some clarification there because I didn't want to leave the impression that you are opposed to.... Well, I guess I would say this.

If you look at the history of mankind, it has been one of clearing forests, of mining, of extraction. I think if we look at our history and see how we've made discoveries, it's been a direct result of those

things. You're not suggesting, of course, that this agreement should put an end to that.

I'm in the car business, for instance. I remember when there was an outcry on the pollution back in the eighties. Somebody said one time that a car that was produced in 1987 as opposed to one that was produced in 1980—I think those were the words—was 13 times cleaner.

Humanity has an amazing capability to correct wrongs that we make, but meanwhile we move forward.

I just wanted to give that opportunity.... Although we need to consider these things, the fact that we reach out to other nations and begin trade, there's much good that results. Would you agree with that?

Mr. Tom L. Green: The finer point is that we are now at seven billion people, and geologists are now considering whether we are in the age of the Anthropocene because humans are the dominant force on the planet. There is a lot of trade going on already, and if the TPP doesn't get ratified, there will continue to be a lot of trade. There will be mining. There will be forestry. I enjoy chopping down a tree myself every now and then for various purposes. However, it's about how we do it. It is the broader context. Do we have marine-protected areas? Do we have pirate fisheries going on? It's all those kinds of things. The scale of the economy is just massive now in terms of the materials that we mobilize and the by-products that we are putting into the biosphere. The biosphere is giving us feedback that it is not going to take that much longer...and leave the earth a happy place for humans. That is where I am coming from.

• (1345)

Mr. Dave Van Kesteren: You would agree that if it was your livelihood to cut down trees, you would rather have a chainsaw than an axe. When I think about my neck of the woods.... I remember growing up in the 1960s, and the Great Lakes were polluted. When I look today, I see the advancements that we have made. Now, we have a new challenge. We have green algae. It is the history of humanity that when we come to these crossroads, we all come together and solve these issues. Wouldn't you agree?

I'll let you have some closing remarks as to those thoughts.

Mr. Tom L. Green: I don't know how to answer that. We're in a serious predicament. We need to deal with these things in a much more aggressive manner than we have been, and we need to preserve the ability of states to actually move forward with an agenda much more quickly.

People are very concerned. I teach at the university level, and among the undergraduates that I'm seeing today, some have almost clinical depression about the state of the planet. That's not very good, and that's based on the data that's coming in about environmental indicators. I'm all for good economic activity, but it's how you do it and everything.

The Chair: Thank you, Mr. Green.

I'd like to thank the other witnesses and all the witnesses we've had here today. It was a very informative day.

It's very good to be in British Columbia and here in Vancouver. It's a new format for us. We're opening it up to an audience, and it made for a very exciting day.

Thanks, everybody, for coming today. You know how to follow us.

Have a good one.

This meeting is adjourned.

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