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## **Standing Committee on International Trade**

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**EVIDENCE**

**Thursday, June 2, 2016**

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**Chair**

**The Honourable Mark Eyking**



## Standing Committee on International Trade

Thursday, June 2, 2016

• (0845)

[English]

**The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)):** Good morning, everybody, and welcome to the trade committee.

This is a very active trade committee. We have lots on our plate. We're dealing with softwood lumber, finishing up the European agreement, but our main focus is on the TPP. Our committee has been travelling across the country. We have done the western provinces and Ontario and Quebec. We have Atlantic Canada and the territories left.

We have also been listening to Canadians. We had open mike at many of the sessions, and we've also had many stakeholders here. We also have submissions coming in from the general public until the end of June, and if MPs are doing town halls, we're going to take their submissions at the end of July.

It's good to see everybody here.

The way we're doing it is a little different. We usually have two sets. We used to split it up, but we're keeping all the witnesses together. It's just because it's June in Ottawa, and you never know what's going to happen here, but our main focus is hearing from you and starting the dialogue. It doesn't look like we have any votes this morning, so we should be able to run right through probably until 10:30 a.m.

We're going to start with witnesses.

We have quite a group here. We have Canada's Building Trades Unions. We have the Canadian Council on Food Sovereignty and Health. We have the Canadian Seed Trade Association. We have the Grain Growers of Canada. We have the International Brotherhood of Electrical Workers. We have Teamsters Canada.

Folks, each group will have five minutes, and try to keep it to five minutes. If it's shorter, that's fine, too. When you're coming to the end of five minutes, if you're going a little too long, I'm going to tell you to wrap it up. Then we'll have dialogue with the MPs.

Without further ado, we're going to start off with Christopher Smillie from Canada's Building Trades Unions.

**Mr. Christopher Smillie (Senior Advisor, Government Relations and Public Affairs, Canada's Building Trades Unions):** Thanks very much. I feel like I've joined the opposition ranks sitting over here today.

**An hon. member:** They're good ranks to be in.

**Mr. Christopher Smillie:** Good morning, committee members, chair, and fellow witnesses.

CBT represent 500,000 skilled trades workers all across Canada in most trades, from bricklaying to welding, to carpentry, to crane operators, to electricians. Our members work in all sectors of construction, but mainly infrastructure, institutional, commercial, and energy-related construction.

Canada is part of a global economy and must continue to participate in trade deals that enable growth and serve Canadian interests. That leads to the question, how does TPP serve the interests of Canada and specifically Canada's labour market?

As the TPP was being negotiated, we all read the headlines on the impact to agriculture, manufacturing, and pharma. Milk was spilled on Wellington Street—I think there's more coming today—and there were angry discussions about intellectual property regimes.

For my members, these are not the most significant measures in the deal. The most striking element of the TPP for my members is the access afforded foreign workers to middle-class jobs in the Canadian labour market. This is something new for Canada in trade deals. Never before have hands-on workers like people in the building trades been directly named or affected in a Canadian trade deal. No one understands how the immigration provisions in the TPP will impact the Canadian worker. No one knows how many Japanese or Chilean construction contracting companies will come with their own workforce. No one knows because Canada has never tried this before.

My members are concerned. We're concerned that Canadian companies and Canadian workers could be displaced from our own economy by this deal. We are concerned about the long-term impact on the Canadian workforce, especially chapter 12 and the irreversible nature of the labour mobility provisions through side letters with Japan, Chile, Australia, Mexico, and Peru.

Specifically, we're concerned as the TPP enables the entry of foreign nationals for employment purposes in the skilled trades with no examination of local labour market conditions before this work permit is issued. We are concerned that TPP grants access to foreign workers without providing clear reciprocal access for Canadian workers. We are concerned that there is no reliable mechanism for foreign credential recognition federally or provincially in Canada. This responsibility should not be up to CBSA to decide at the border.

Finally, we are concerned with the link to the national and subnational government procurement process. Access to government procurement is nothing new in trade deals, but the ability to staff up Canadian projects without examining local labour markets conditions first is very new. We thought the infrastructure projects in Ontario, about \$120 billion, and across Canada, about \$100 billion, were entirely focused on stimulating Canada's economy.

As it stands right now, while foreign companies can win and build projects here, a Canadian workforce must actually be used to build it. The TPP changes that. Under the TPP provisions, when a foreign company wins a bid, workers in Ontario or other provinces have no guarantee that they will have access to those jobs, and the public infrastructure funding, from Canadian taxpayers by the way, goes overseas, not back into our own economy.

The TPP will enable the entry of foreign nationals for employment purposes in our trades with no examination of local labour market conditions before a work permit is issued. That means, Mississauga, or Chatham, or London, or New Brunswick could be experiencing high unemployment, and foreign nationals would be permitted to enter that labour market without examination or consideration for that labour market. There is a fairly rigorous system in place currently under the temporary foreign worker program. An assessment is conducted on local labour markets by ESDC and CIC before a foreign national is permitted to take up work in Canada.

Essentially, under TPP, unrestricted access is granted to chapter 12 countries with no consideration for local employment conditions. Let me repeat and let me be clear that we're not anti-trade and we're not anti-foreign worker, but we want to put Canadian workers first. Our members and future members just want a fair first shot at jobs in their own country. Under the TFW program, before seeking foreign workers, employers are required to attempt to do at least some training of Canadians first, a condition that is completely absent under TPP.

In the TPP, Canada agreed to temporary entry for technicians, and the agreement specifically outlines a number of trades.

● (0850)

While I've been assured that Canada would not negotiate an agreement that was not 100% reciprocal, in fact, upon reading the commitments to these other countries, it's not entirely clear to me or us—

**The Chair:** Sir, do you want to wrap up?

**Mr. Christopher Smillie:** Yes, sir.

—that Canadian workers have been afforded the same rights of entry as we have provided in our letters.

Canada's Building Trades Unions spends \$500 million a year of our members' money training Canadians. In some provinces we deliver provincial curriculum. All of our training is in partnership with employers. This is what we're doing to put Canadian workers first.

We're invested in our country's future, as are our members. We want to make sure that the TPP is invested in our country's future as well.

Thank you.

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

Before I move to the next witness, I want to remind everybody that we have translation here, and there are headphones in the audience.

We're going to move on to the Canadian Council on Food Sovereignty and Health with Shiv Chopra. Go ahead, sir.

**Mr. Shiv Chopra (President, Canadian Council on Food Sovereignty and Health):** Thank you, Mr. Chairman, and honourable committee members.

I speak on behalf of the Canadian Council on Food Sovereignty and Health. This is a group that serves the Canadian public.

Paramount in every trade agreement is the SPS clause, sanitary and phytosanitary standards, that cannot be overridden by any trade agreement. We have already been compromising that clause under NAFTA, and if TPP passes, this will be horrible for the Canadian public, Canadian food sovereignty, our farmers, and our farmers' jobs.

The first casualty will be the milk industry where, according to this agreement, we have already agreed to open 3.75% of our dairy industry to the United States. That means that BGH that was not approved in this country will now be coming liberally into this country. That will be the death of our dairy industry.

It's not only one product. There are five other products in our food supply. Those are other hormones, antibiotics, slaughterhouse waste, genetically modified organisms, and pesticides. I worked at Health Canada for 35 years. I was the one who got rBGH stopped. This book is called *Corrupt to the Core: Memoirs of a Health Canada Whistleblower*. It's available to the committee members on DVD to take home. A shorter version of that is called "The Five Pillars of Food Safety" that I'm talking about. That article is here also. I will submit it before I leave.

Now we come to the actual TPP. Government websites are declaring openly and repeatedly that Canadian food sovereignty, Canadian food safety, will never be compromised. We consider that to be an untrue and false statement, because we are continuing to approve these five products, these five sets of products, by Health Canada contrary to the Food and Drug Act and regulations. This should not be permitted.

Mr. Lametti and I spoke about it in Guelph together on the same panel, and it is recognized we have to fix our home turf first. We have to make sure our food safety standards are never compromised. They are already being compromised. Before we move into any further trade agreement, we have to sort that out.

I'll be available for further questions to elaborate on this matter as to exactly how that is happening. There could be public litigation on that matter.

Thank you, sir.

•(0855)

**The Chair:** Thank you.

We're going to move on now to the Canadian Seed Trade Association. With us we have Dan Wright and Dave Carey.

Go ahead, gentlemen.

**Mr. Dan Wright (Second Vice-President, Canadian Seed Trade Association):** Good morning.

On behalf of the Canadian Seed Trade Association, CSTA for short, I would like to thank the committee for the invitation to discuss our perspective on the Trans-Pacific Partnership.

My name is Dan Wright and I serve as the second vice-president on the board of directors of CSTA. I will be sharing my time today with Dave Carey, CSTA's manager of government affairs and policy.

CSTA is the national voice of the Canadian seed trade association. We are a non-partisan, not-for-profit association that brings together 125 member companies engaged in all aspects of seed, including research, development, plant breeding, production, marketing, and sales, both domestically and internationally. Seed is the start of the agriculture value chain. Nine in ten bites of food around the world start with the planting of a seed.

Our members work with over 50 different crop kinds and serve the needs of their customers by developing and providing seed produced through various methods, including organic, conventional, and biotechnology. Our members range from single-family farm units to multinational companies.

CSTA members are proud to be vital contributors to the national economy and to the health and well-being of Canadian and international consumers. Our members are united in their support of CSTA's mission statement: to foster seed industry innovation and trade. Given our mandate, CSTA is in support of the TPP and any effort by the Canadian government to increase opportunities by addressing tariff and non-tariff barriers to trade. CSTA's first strategic priority is the unrestricted trade of seed around the world. The TPP provides our industry with better access to a \$28-trillion market.

The economic impact of the seed industry is \$5.61 billion annually, employing more than 57,000 Canadians and generating more than \$450 million in exports. Exports are a very important part of the Canadian seed trade. Exports to member countries of the TPP account for over 70% of total exports or over \$315 million annually. Canada's top TPP export markets for seed include the U.S., Mexico, Japan, New Zealand, and Australia, but our members are always looking for new ways to access new markets.

Given our experience with liberalizing trade agreements, we expect that the exports to TPP countries would increase significantly over time after ratification.

Thank you, and I will now turn my remaining time over to Dave Carey.

**Mr. Dave Carey (Manager, Government Affairs and Policy, Canadian Seed Trade Association):** Thank you, Dan, and my thanks to the committee for having us here today.

Seed generally trades with zero or very low tariffs, and many of the TPP countries do not bind or apply any tariffs on seed for sowing. While this is an advantage for our commodity type, we experience issues with non-tariff trade barriers, such as variations in customs procedures at borders. Issues with exports of seed are much easier for us as a trade association to resolve for our members when there is a bilateral or multilateral trade agreement in place.

CSTA is a strong proponent of science-based decision-making and supports the provisions in the TPP that would commit signatory countries to science, transparency, and incorporating the concept of equivalence. These principles are critical when it comes to sanitary and phytosanitary requirements and the testing and sampling required for seed exports.

CSTA is pleased that Canada has secured provisions on products of biotechnology in the agreement. Canadian farmers are early adopters of new technology that improves productivity, provides health and environmental solutions, and enhances competitiveness.

The provisions of the TPP that require countries to make their science-based approval processes for biotechnology traits more transparent is a big step forward. It provides a greater sense of predictability and will foster increased investment and innovation.

The TPP also contains provisions on low-level presence, LLP, and it is the first agreement to do so. This provision essentially establishes a process to address instances where low-level presence occurs, which will significantly reduce trade disruptions and increase transparency.

Canada is a trading nation and agriculture is a global industry. As such, a multilateral agreement like the TPP that seeks to establish rules-based trade among major export markets is extremely important to the Canadian seed industry. It will be much more effective than a series of bilaterals.

To conclude, congratulations on the good work being done to study the TPP. We believe its ratification will be a significant achievement for our industry.

CSTA members, their farmer customers, and Canadians will benefit from reductions in tariffs and non-tariff trade barriers on seed exports, and we will see many positive gains from access to new markets and agricultural innovations.

Dan and I welcome any questions you have today.

Thank you.

• (0900)

**The Chair:** Thank you.

We're going to move on to Teamsters Canada. We have Dave Froelich and Phil Benson. Go ahead.

**Mr. Phil Benson (Lobbyist, Teamsters Canada):** Good morning. Thank you for having us.

I'm Phil Benson, lobbyist, and Mr. Froelich is the director of our Teamsters Canada dairy division. We'll be splitting our time.

The TPP is a flawed agreement, giving little benefit and great potential loss to Canadians. The TPP was negotiated in secret with government and business—no unions or NGOs allowed. I heard one proponent say, “these types of agreements could never be negotiated in public”, which is not glowing support for democracy.

We would urge the committee to take the same focus on the TPP as the government did in the last budget for the middle class. Budget documents recognize that worker and middle-class wages have been stagnant for 30 years, a result of globalization spurred on by trade deals and technological change. Seventy per cent of the economy is consumer driven, and with stagnant wages and record debt, a single-minded focus on what is good for business may result in killing the goose that laid the golden egg: no consumers, no business, and no government revenue.

Proponents claim the TPP will increase GDP by \$5 billion to \$10 billion, a rounding error in a \$2-trillion economy. Studies have shown a decline in employment: fearmongering that we're better in than out? Already, 98% of trade under the TPP is “free”, and studies from various groups, including the C.D. Howe Institute, show that the effect of not signing the TPP would be negligible on the economy.

The extension of protection on intellectual property will do little more than stifle research and competition while increasing costs to consumers. The investor protection provisions are odious. Bad enough the creation of a secret court without public oversight and participation—I thought we got rid of star courts for good reasons—worse is the chilling effect on government and Parliament. Being sued is one thing; being afraid to stop product sales to protect the environment and public safety is much worse.

For labour, the TPP sales and service provisions will produce a temporary foreign worker program on steroids. We assume that the TPP drafters thought reducing Canadian wages through globalization and trade deals was not sufficient: let's just open the doors and let them take our jobs.

Though the TPP would affect many sectors, we will focus on the dairy sector. The allotment of quota for dairy products from butter and cheese to ice cream could affect many Teamsters in the supply chain who are delivering products from dairies to business and consumers. The effect will be known only when the quotas are awarded. Teamsters Canada has repeatedly asked to be included in those consultations and meetings, and we hope the promised participation will occur.

**Mr. Dave Froelich (Director, Dairy Division, Teamsters Canada):**

The Teamsters Canada dairy division represents workers in dairies from Vancouver Island to St. John's, Newfoundland and Labrador. Teamsters pick up milk from the farm gate, work to produce milk and dairy products and deliver them to retail, and prepare shipments to wholesale clients.

The TPP allotment of quota will permanently disrupt Canada's dairy supply management system. The TPP quota limit has been given as 3.25% of the total market; however, that number is for year five. Given the incremental 1% increase of quota each year, the final impact will reach 4.35% of the total market, or about 400 TMT. Depending upon the product, the TPP's impact appears to be from 5% to 10% of the market for dairy product.

The TPP will not affect IREP, the program that allows dairies to import milk to process for export. That's about 54 TMT and worth about \$90 million. We understand that all the TPP quota and IREP allotments will be filled. It's double-dipping, but it shows the cumulative effect of the programs. On CETA, which deals with cheese, our questions about the cumulative effect were met with “it's only cheese”, so we have not factored that into the numbers.

Eighty-five per cent of the 56.9 TMT liquid milk quota will be reserved for dairies. It's a positive for dairy workers; however, our expectation is that most of this milk will come from the United States.

Only 83% of U.S. liquid milk is hormone free, while Canadian farmers must follow Canadian regulations regarding no hormones. Will consumers in Canada be protected? From our consultations on the purity in the imports and on the commitments between dairies and U.S. suppliers, there would be no requirements on direct U.S. importation of liquid milk on the shelf. We hope concerns about the hormone-free status of milk will not erode the market for milk and milk products in Canada or abroad. If environmentalists in Europe were to claim that Canadian cheese was tainted, how much cheese do you think would be sold there?

Currently, imports of dairy products exceed exports by a 70% to 30% margin, about \$250 million, mostly ice cream, cheese, and whey. In our consultations, the best answer we could get about decreasing this margin was that the TPP would create opportunity. If the TPP is really going to increase export opportunity, then we must assume that the billions of dollars the previous government was extending the industry were unneeded.

We understand why dairy farmers may need to be compensated for actual and opportunity loss. We have a hard time understanding why dairies require taxpayer funds, and we do not support it. If the TPP is good for business, we must assume that the private sector would be chewing at the bit to invest.

We believe that if processor modernization compensation is to be given to the industry because of the TPP, then workers in the industry should be included in the compensation package, for example, with money to help bridge older workers to retirement, training to find new work beyond existing programs, and training for new technologies that may be introduced on the job.

• (0905)

**The Chair:** Thank you for that submission.

We're going to the Grain Growers of Canada now, and we have Fiona Cook and Margaret Hansen.

**Ms. Margaret Hansen (Vice-President of Western Canadian Wheat Growers Association, Saskatchewan, Grain Growers of Canada):** Thank you, Mr. Chairman and members of the committee, for the invitation to appear today.

The Grain Growers of Canada strongly support the ratification of the TPP agreement by Canada, and we would like to tell you why from the perspective of the individual farmer.

Our organization acts as a national voice for over 50,000 farmers from across Canada who actively grow and care for a variety of crops, including wheat, durum, barley, canola, oats, corn, soybean, peas, and lentils. We do this by bringing together provincial and regional grower groups to advocate for a federal policy environment that maximizes global competitive advantages and opportunities for Canadian farmers.

I am one of those farmers. My name is Margaret Hansen, and I am a third-generation farmer from Langbank, Saskatchewan, where I grow canola, wheat, barley, and oats with my brother and cousin.

You have already heard excellent comments from many agricultural organizations, and the Grain Growers of Canada believe that the importance of this trade deal cannot be emphasized enough. It is important for the future of farming and families across Canada. On a very personal note, trade is absolutely the future for my family and my community.

Canada is a major exporter of cereals, pulses, and oilseeds, and many of Canada's key, high-value markets are contained within the TPP zone. For example, Canada exports 90% of the canola and 75% of the wheat we farmers grow. The TPP region represents an impressive 65% of Canadian agricultural export markets, and at the same time encompasses some of Canada's key export competitors, including the U.S., Australia, and Mexico. You can clearly see why this agreement is so important to Canadian grain growers.

If Canada is left looking in from the outside, the missed opportunity of tariff reductions and increased market access are obvious, but in addition, our key competitors will gain an advantage over us, with preferential access into fast-growing TPP markets.

A typical Canadian grain farmer produces multiple types of crops within a growing cycle, including cereals, oilseeds, and pulses, all of which are exported to the TPP zone. In the canola industry, eliminating tariffs on value-added canola products could increase exports of canola oil and meal by up to \$780 million per year. It could also bring new investment in canola processing to Canada and create jobs. The agreement will also keep Canadians competitive with Australian farmers who benefit from a \$1.2-billion canola seed market in Japan.

TPP countries also represent growth opportunities for cereal exports as many growing markets reside within the TPP zone. Canadian wheat and barley exports will become more accessible through a reduction of state trading enterprise markups in Japan and tariff removal in Vietnam.

Equally important, Canadian farmers will remain competitive with Australia and the U.S. in key export markets. Australia holds a bilateral trade agreement with Vietnam. As both countries are included in the TPP, Canada would be put on a level playing field in this trading zone.

Closer to home, Canadian wheat will remain competitive in the major markets of Peru and Mexico. These markets are especially important to Canada as the U.S. is attempting to gain market share given its logistical advantage into these regions.

Pulse growers will see duties and tariffs eliminated within the TPP zone, which will allow pulse growers to have continuous, competitive access into markets such as Japan and Mexico.

An almost absolute certainty in the world of international trade is that tariff reductions give rise to the creation of all types of non-tariff barriers. Of particular concern to grain farmers are barriers to trade, such as maximum residue limits and low-level presence. The Grain Growers of Canada believe that non-tariff barriers need to be addressed and managed on a transparent, scientific basis as opposed to in the political arena. The TPP as written emphasizes these principles and includes a dispute resolution process to ensure that trade disputes are quickly addressed.

The value of the TPP agreement and the potential for Canada to remain competitive internationally are not only a benefit to growers but to the entire agriculture and agrifood industry, those along the supply chains, and communities across the country.

The deal includes countries with emerging markets that are seeing rapid population and income growth and will be importing additional higher quality food for years to come. Canadian farmers are extremely well positioned to meet this demand. To be left out of this historic agreement would be detrimental to the Canadian grain industry, and Canada cannot afford to remain on the sidelines and risk losing ground to our competitors in these markets.

● (0910)

For Canadian growers it is crucial to our livelihoods and our communities across the country that Canada not be left out of this agreement.

Thank you.

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

As our last panellist today, we have Matt Wayland from the International Brotherhood of Electrical Workers.

Go ahead, sir.

**Mr. Matt Wayland (Political Action/Media Strategist, First District, Canada, International Brotherhood of Electrical Workers):** Good morning.

My name is Matt Wayland, as mentioned, and I'm here on behalf of the International Brotherhood of Electrical Workers, or IBEW.

I would like to take the time to thank the committee on international trade for allowing us to present our concerns today on the Trans-Pacific Partnership. In particular, I'll be focusing my presentation on the implications that chapter 12, temporary foreign entry for business persons, will have on the construction sector.

The IBEW represents 750,000 members in North America and over 70,000 right here in Canada. Our members are in every province and territory working in various sectors such as railroad, government, telecommunications, utility, and our two largest sectors being inside and outside construction.

I have the unique opportunity to not only represent members of the IBEW across Canada, but I, myself, am a Red Seal construction maintenance licensed electrician who has been through the apprenticeship system and spent many years working in the construction sector. IBEW's highly skilled members are building our country's largest infrastructure projects such as Site C in British Columbia, the Muskrat Falls project in Newfoundland and everything in between. We play a large part in the Canadian economy.

A Red Seal licensed electrician is recognized across the country, meaning that no matter which Canadian jurisdiction I am in, I'm able to work legally as an electrician. There are certain jurisdictions in Canada where electricians have received a licence in their home province but didn't meet the Red Seal criteria, which means they're not allowed to travel to other jurisdictions; they can only work in the one they're accredited in.

In each of your constituencies, there'll be a number of people, electricians and others in skilled trades like myself, who fit into that category and they too will be negatively impacted by chapter 12 of the TPP.

Chapter 12, as mentioned earlier, essentially allows the free flow of construction workers between countries, and the text specifically indicates electricians and various other electrical workers and technicians. I've met with various other construction trade unions, subject matter experts, and so on, none of whom were ever consulted prior to or during the TPP negotiations. In fact, it wasn't until December 2015, months after the TPP was finalized, that we were able to meet with Canada's negotiators on the deal. If we had been included in those discussions or negotiations to any degree, we believe many of the pitfalls currently included in chapter 12 could have been avoided.

There are only seven other countries who have signed on to side agreements with Canada, as Mr. Smillie mentioned earlier in his remarks, and they include Australia, Brunei, Chile, Japan, Malaysia, Mexico, and Peru. One country that is noticeably missing from agreement, though, happens to be Canada's largest trading partner, the United States of America. Obviously, they saw no value in it for them, so what's in it for us?

Another caveat that's included in the text of chapter 12, under section B, Intra-corporate Transferees, and section D, Professionals and Technicians, depending on which one you look at, is the following statement:

Canada shall grant temporary entry and provide a work permit or authorisation to

intra-corporate transferees or professionals and technicians, again, depending on which section you are looking at



and will not:

- (a) require labour certification tests or other procedures of similar intent as a condition for temporary entry or
- (b) impose or maintain any numerical restriction relating to temporary entry.

What does that mean exactly? It means that Canada is not allowed to place any restrictions on the number of entrants, regardless of how many plumbers, electricians, or Canadians are unemployed in that jurisdiction. We're not allowed a "hire a Canadian first" provision and certainly not allowed to test any individuals to see if they meet our Canadian standards.

It also means the TPP will allow foreign-owned companies, so in any of those seven TPP countries, to bid on Canadian infrastructure projects and, if successful, they can bring an entire workforce to Canada. Think about a company that brings over a crew of electricians from Malaysia or Mexico to perform work in your riding. Maybe it's an infrastructure project like a hospital that received taxpayer funding, and those workers aren't familiar with our installation methods, safe work practices, or even the electrical code. When there's an issue, how are you going to explain this to Canadians or constituents? What happens when someone is seriously injured, or worse, killed on a construction site? We see workers seriously injured or killed every single day in Canada. Loosening our laws and allowing anyone whose paperwork seems, to the border agent in Canada, to match up will only make construction sites more dangerous for workers, not to mention the public.

One of our largest training centres in Canada, Local 353 in Toronto, has seen many unqualified workers from foreign countries come through on a regular basis. They come to the local looking for work with an electrical licence from China, Russia, or Mexico. When we take them into the training centre and show them the various training modules we have set up, they don't recognize whether it's industrial, commercial, institutional, or residential wiring. Those components and signage aren't familiar to them. They do recognize telephone and coaxial cable, though, 90% of the time. But they have a licence in their home country as an electrician, which under the TPP, will allow them to perform work here in Canada.

Do you want that individual wiring a hospital in your neighbourhood? How about wiring the oil sands projects where there are thousands of workers present on any given day and multi-billions of dollars' worth of investments made, or maybe the school your children go to?

Let me clear, IBEW is not against trade deals. In fact, we see the benefits of good trade deals all the time, as long as they're negotiated fairly and not in secret. The IBEW is not against immigration or foreign workers; however, we are against the exploitation of workers.

● (0915)

Let me be clear. The IBEW is not against trade deals. In fact, we can see the benefits of good trade deals all the time, as long as they are negotiated fairly and not in secret. The IBEW is not against immigration or foreign workers; however, we are against the exploitation of workers, these foreign workers who, at the end of the day, are just trying to go to work in a safe environment and provide for their families, much like our members and Canadians here.

**The Chair:** Sir, do you want to wrap up? Just come to a conclusion, please.

**Mr. Matt Wayland:** The IBEW is against TPP, and more specifically, chapter 12 of that agreement. It is bad for skilled trades workers such as electricians, bad for construction workers, and ultimately bad for the Canadian economy.

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

I should have recognized by your comments that you were wrapping up early anyway.

I also have to apologize to the Teamsters. You were also wrapping up, but I thought you were going over.

We're going to move on to dialogue with the MPs. MPs, I remind you to keep your questions as short as you can, so that the panellists can get the answers in. Also, panellists, would you keep answers short in case another panellist wants to jump in to make another comment on the questions from the MP.

We're going to start off with the Conservatives. We have Mr. Shipley for five minutes.

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Thank you, Mr. Chairman.

I want to thank all the witnesses for being here.

It's interesting to listen to some of the comments, whether it's on agriculture or on international trade. I've been on both.

In a country that now has at least 44 free trade agreements, recognized as the best country in the world over the last 10 years in which to do business, we now have the wealthiest middle class in the world. There was the creation, through a recession, of more than a million net new jobs. Also we have one of the best, if not the best, safe food records in the world.

I always want to make sure that in my background in agriculture... The foundation of everything we do is based on agriculture; then above agriculture come the significant areas that are important to people within Canada and within the countries we're negotiating with.

I'd like to go to the Grain Growers of Canada. Margaret, would you as a grain grower help me as a farmer and talk a little about the dispute resolution process and the significance of having it in place to shorten the term in which farmers have to deal with it?

**Ms. Margaret Hansen:** Sure. Anything that can speed up such resolutions is of great significance to grain growers. We make our livings in the marketplace. We take a price, basically, at the end of the day. When prices are depressed because we've lost markets, they have a very significant impact on farmers and our communities.

For example, when we've had trade disputes with Japan or things such as that, our price of canola has gone down. That ripples through not just my farm but the community, through the whole of the industry.

• (0920)

**Mr. Bev Shipley:** That's the important part. It's not just the primary producer that is affected in these cases. It takes the value chain scale right up to the top in terms of the impact of it.

This leads me, then, to the next question, for either Dan or Dave. In terms of tariff and non-tariff trade barriers, one thing that we always get caught in or become very frustrated with is issues that are outside the traditional trade tariffs, the non-trade tariff barriers. You talked about low-level presence and maximum residue levels.

Can you help me to understand? We're talking about agriculture, folks. This is the main industry in our country, Canada, which employs every individual representative around this table today. Can you talk to me about the significance of the low-level presence or the significance of non-trade tariff barriers and what it would mean not to have this agreement, but what it will mean in terms of bringing the TPP to fruition?

**Mr. Dave Carey:** Thanks for the question.

Yes, on the LLP side it has been touched on, but essentially it spells out in article 2.27 on the trade of products in modern biotechnology, that there's a transparent process to deal with LLP issues, and that provides predictability.

We sometimes have members who make shipments of seed, and they can be reluctant to ship to markets for fear that it's going to arrive at the port of entry, where they will test it and say that they've found something. Then we go back to that country that we don't have an agreement with and we find that their testing method isn't true to ISTA, International Seed Testing Association, standards. That's a big issue.

This provides a clear process, and it also provides essentially a biotechnology working group, which is under the committee on agricultural trade. Those are two big pluses: predictability and transparency.

Concerning some of the less traditional non-tariff trade barriers, such as treatments, some countries will say that a shipment of seed entering the country has to be fumigated with a certain type of gas, whereas in Canada we don't allow that to happen; it's not a good practice. By having a bilateral trade agreement or multilateral trade agreement, our regulators have a point of contact to resolve that.

It is also big on seed treatments, whereby a lot of seed is shipped treated with a coating of either insecticide or fungicide for disease or pests. Some countries will say they want it treated with such and such a chemical, but that chemistry is not approved in Canada. That's a non-tariff trade barrier.

The last one is seed as a pathway. Most countries use seed as a low phytosanitary risk for disease and for pests because it is conditioned, and when it's harvested it goes through rigorous procedures to make sure that it has viability and vigour before planting. However, some countries view it as a high pathway, and

this therefore becomes a non-tariff trade barrier. Mexico is the best example to show that.

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

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

Mr. Dhaliwal.

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

Thank you to all of the panel members.

My first question goes to Mr. Froelich, my friend Phil.

You noted that if the TPP is ratified, foreign access to the Canadian dairy market would be more like 5% to 10% instead of 3.25%, as noted in the TPP text. Could you explain that, please?

**Mr. Phil Benson:** Absolutely.

Thank you, Mr. Dhaliwal.

When the initial text came out, it was stated that the total impact would be about 3.25% or something, but that was only to year five. When you take the incremental increases, it's about 4.35%, 400,000 tonnes or something. You have to look through the fine things to realize that the impact it has depends upon whether it's butter or ice cream or cheese.

One of the saddest things is this. I cut my teeth on NAFTA. For NAFTA, as a labourer I had access to the rolling draft of the negotiators and to modelling by StatsCan. We've asked repeatedly of the minister—we had private briefings with the negotiators and with Agriculture Canada—could you do modelling for us to let us know what the impact is.

As we look at it up and down the supply chain, we just see so many potentials: Teamsters pick up the milk at the gate; it goes to a dairy; from the dairy, at which we're present, it goes to wholesalers, and we are there; we take it to airports, and we are there. If you look at all of the impacts of the things, it affects all of those areas.

Up to this point, we have to look at the agreement and take it as a sad state of affairs until we have some modelling done.

• (0925)

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

My next question goes to Mr. Wayland and Mr. Smillie.

I look at the work safety perspective and see that British Columbia workers—I come from British Columbia—are protected by Work-SafeBC, irrespective of whether they're temporary workers or permanent immigrants or students. They don't look at that perspective.

On the other side, we had architects appear before us who said that this is going to help our engineers and architects and such fields.

Where would you see a balance in the TPP whereby we can have access to foreign workers so that our businesses can succeed but at the same time are able to protect the local labour market so that low-paid labour from other countries does not jeopardize our local people here?

**Mr. Christopher Smillie:** You have to have a system in place to take a look at local labour market conditions before issuing a work permit. We don't have a problem with temporary foreign workers to fill skills gaps or shortages for employers. That's why employers use the TFW program: the oops, the band-aids; we need 35 welders or 35 electricians or 125 welders in Kitimat, or 2,000 in Kitimat as is going to be the case.

What needs to be fixed or what needs to come out, depending on how you look at it, is we need the ability to take a look at your home ridings and say that there's high unemployment in your riding. Workers are available in Canada to do this work. Give them the first shot, and if there's still a shortage, fine. That system exists within the TFW program. ESDC and CIC do this every day. They examine local labour markets and look at applications that have come in from employers and determine whether or not they will impact the local workers.

The TPP says that this cannot happen under law, nor can it ever be changed. Some sort of system needs to be put in place. We don't understand why a trade agreement wouldn't take a look at the local labour markets in that way.

**Mr. Sukh Dhaliwal:** Mr. Wayland, do you want to add something?

**Mr. Matt Wayland:** Yes, if I may.

You talked about WorkSafeBC as well, and if I can, I'll add to Chris's remarks. Each province will have a work safe program like WorkSafeBC or work safe Manitoba. What tends to happen is those practices or that group isn't on site until there's an issue, and then it's too late. We see that happen all the time.

I work in the sector. We've had individuals who under previous agreements have come in to an auto plant in a supervisory role. The plant was working two shifts in southern Ontario. The next thing you know, after the midnight shift, the workers came in in the morning and work had been completed by people who weren't qualified or trained, and they weren't supposed to be working on the tools. If that equipment had been energized at that auto factory, it could have severely injured somebody, and it could have ruined millions of dollars' worth of equipment.

It's not until after there's an issue that this comes into effect.

**The Chair:** Your time is up, Mr. Dhaliwal, sorry.

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

**Ms. Tracey Ramsey (Essex, NDP):** Thank you so much for all your presentations.

In the presentations today, you can see the difficulty that we have looking at the Trans-Pacific Partnership. It's deeply disturbing that

we're pitting farmers against farmers. We're talking about the implication for certain farming communities and the benefits, and then we're looking at the huge loss that we would see in dairy. We certainly have heard from a lot of dairy farmers and a lot of seed farmers as well.

Mr. Chopra, you bring a new aspect to the conversation. We're talking about food safety. Nothing is more important to Canadians at the end of the day than food safety. It's next to our health care, and those things are linked.

You talked a little about bovine growth hormone. I wonder if you could speak to us about the safety for human consumption of this hormone and what you think the implications will be in having U.S. milk coming over the border.

**Mr. Shiv Chopra:** Bovine growth hormone is just one of the hormones. Fortunately, it was not approved in Canada. We all know the history of what happened. A Senate committee prevented it, and I was the key witness there in how it was stopped in Canada.

Even though it was not approved in Canada, it was not banned. There's a big difference between those two. That means that dairy products from the U.S. continue to come in and are affecting the dairy industry adversely. That means all the dry milk, the cheese, the butter, and the ice cream are all coming in, and the same products are being made from the tainted milk coming from the United States.

The United States is the only country, not only in NAFTA but also in the TPP countries, where BGH remains approved. You can imagine what will happen if you allow the American milk to come in. Then some of our Canadian dairy industry may also want to do the same thing.

That's just one small problem with dairy farmers. I've heard it said that Canadian food products are the best or the safest in the world. I'll say it's exactly the opposite. Canadian food has become the most toxic on earth because we are breaking our own law.

I'll give you an example. Other beef hormones are being used in Canada and the United States, and these beef hormones—

● (0930)

**Ms. Tracey Ramsey:** I am sorry, Dr. Chopra. I am going to have to interrupt, because I have to go to another witness. I apologize. Thank you for that. If you can provide us with some information in writing, that would be great.

I want to flip over to jobs and talk about the implication for jobs. I thank Mr. Benson and Mr. Froelich for bringing that aspect forward. We know there is potential compensation that exists for dairy farmers. You represent workers who are deeply connected to that chain.

I wonder if you could speak to us about what you think the implications for our supply-managed systems will be with the additional access that TPP countries will have to our market.

**Mr. Phil Benson:** I will start, and Mr. Froelich will finish.

Just on Mr. Chopra's point, and we raised it... As people in Canada or our foreign partners, especially CETA partners, realize that our milk could be tainted, it may in fact affect sales.

For us, it is not just dairies; it is through the entire supply chain. We are not sure how... For instance, is McDonald's going to get a quota? The answer is, they might. Is Walmart going to get a quota? The answer is, they might. That is why we have to be in those parties. It is not just dairy.

Just last week, I think, there was an announcement here in Ottawa that 100 dairy workers, Teamsters, are going to lose their jobs. We have had 400,000 manufacturing jobs lost since the trade deals came in. They haven't been replaced by the same kind of jobs.

Mr. Froelich, just direct for the workers.

**Mr. Dave Froelich:** I think it goes back to the issue of the modelling that was available through the NAFTA process but isn't available now. We know there is milk coming in. We don't know what effect that is going to have and how it is going to impact folks down through the supply chain.

We know there is a process for a modernization fund that is available, and we are suggesting that the workers, not just the farmers, who are going to be affected have access to some of that funding.

**Ms. Tracey Ramsey:** It is really unclear whether or not that funding will actually exist. It wasn't in the budget. Now we are hearing from the finance minister himself that the money will come after the agreement is signed. I think this is cold comfort to dairy farmers and those in the supply chain.

**Mr. Phil Benson:** What is interesting, when I am listening to some of the testimony, is that some of the proponents talk about opportunity, especially on the business side, and how great this is going to be, how wonderful this deal is. As we said in our presentation, if it was such a great deal, you would think that dairies, faced with this great opportunity, would reach into their pockets willingly and spend money to grow their market. We would like to see that modelling.

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

That wraps up your time, Ms. Ramsey.

We are going to move over to the Liberals. Mr. Peterson, you have five minutes.

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

Thank you, everyone, for being here today and sharing your positions on what, as you can tell, is a big trade agreement. Obviously there are some differing points of view on whether or not it is going to be a positive agreement for Canada.

I want to start with the Grain Growers. Could you elaborate on the importance of exports to your industry, and how opening up new markets is key to the ongoing success of the grain industry in Canada?

**Ms. Margaret Hansen:** Sure. Virtually 90% of canola and 65% of wheat are exported. We produce in vast excess of what we could ever use in Canada, and we need to be able to access other places in the world.

Open markets are all that we are really asking for, a chance to be competitive. We have great technology and great farmers, who are able to do so much. Our yields have increased. We have improved agronomy and seeds, and we are very well positioned to meet the demand of growing markets in the world. We just want the opportunity to make our living from the marketplace.

•(0935)

**Mr. Kyle Peterson:** Thank you. I don't know if our seed guys want to let us know their thoughts on that.

**Mr. Dave Carey:** Thanks. Yes, exports are extremely important to our members, again, in excess of... They are probably a low conservative of \$450 million, but more like \$550 million. Those are the last numbers we have from Agriculture Canada for the seed side.

We see trade as a good thing. We import a lot in Canada, too, on the seed side, and we export a lot. We don't see that as a threat. We see it as an opportunity. A trade deal like this puts Canada on a level playing field, and we compete with much larger players. As our colleagues, the Grain Growers, said, we are ready to export.

**Mr. Dan Wright:** She touched on it a little bit: our increase in yields, better agronomy, better technology that we are using, integrated farming systems, and new technology in seeds.

Ontario is a great example. Ten years ago, we were a net importer of corn. Now we are a net exporter. When we talk to Ontario grain farmers, one of the questions we ask them as the seed sector is how come we are exporting more, and they say, "Because we are growing more. Our demand locally has been the same, and now we have more opportunity. We are growing more bushels of corn per acre. We have an opportunity to export."

Having open, clear, transparent, and predictable ways of opportunity is really important from an export standpoint. Our customers, the farmers, are producing more. Having more markets is extremely important for them.

**Mr. Kyle Peterson:** Okay. Thanks for that.

My next question deals with the trades and the employment component of this agreement.

Mr. Wayland, do you see an opportunity at all for Canadian-trained skilled labour to perhaps go into these countries? Is that opportunity there under this agreement, and if so, do you see it being tapped into?

**Mr. Matt Wayland:** Through the agreement it is possible for contractors or Canadians to go work in those areas. In our industry, in terms of what would typically happen, I could see them going maybe to Australia, where there are similar practices and similar wage scales, but going to Malaysia or Mexico, that's not going to happen. The contractors would maybe bring one or two, or a couple of supervisory roles, and the rest would be workers from those countries.

**Mr. Kyle Peterson:** Do you have something to add, Mr. Benson?

**Mr. Phil Benson:** I think Mr. Wayland covered that for me.

**Mr. Kyle Peterson:** Perfect.

Mr. Smillie.

**Mr. Christopher Smillie:** From a general contractor perspective or a trade contractor perspective, most of those contractors are headed to the United States. They go to Florida, to Colorado, to the Midwest, to Chicago. This doesn't help them. In fact the U.S. trade representative was proud of the fact that no immigration law was changed or amended in the TPP to protect American jobs. We've been pitching labour mobility with the United States for a number of years, sort of bait and switch, and now we might have it with countries that we weren't expecting to at all.

For the big companies, such as the KBRs, the Haliburtons, the Exxons, the Imperials, and the ones where it would make sense to have labour mobility between Canada and the U.S., this doesn't help them, because they're not doing business in some of those countries. They are doing business in Australia. However, with the entry requirements into Australia, if I might say quickly, it's not entirely clear that our guys and girls can go to Australia in the same unrestricted way we're letting them in. Australia has a different entry system. They've retained the right to exclude whomever they want, from the side letters.

So it might be nice, but we might not actually be able to get it. It's not clear.

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

That ends our first round.

We'll go into the second round, and the Liberals have the first slot for five minutes.

Madame Lapointe, go ahead.

[*Translation*]

**Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.):** Good morning and welcome. I really appreciate that you are all here with us today.

My questions will be mainly for Mr. Smillie and Mr. Wayland.

My questions deal with chapter 12. You briefly talked about it earlier. Mr. Smillie, you said that there should be a screening mechanism in place before foreign workers are brought here. They are the people you are primarily representing.

Is there such a mechanism in a free trade agreement?

● (0940)

[*English*]

**Mr. Christopher Smillie:** In the NAFTA, for instance, there's no mechanism, per se. To get a NAFTA visa between Canada, the U.S., and Mexico, you take your passport, your job offer, your proof of credentials, and you go to the border, where either border patrol in the U.S. or CBSA says yes or no based on the list of trades or occupations that are listed in the agreement. If the occupation for which you have a job offer is not in that agreement, you're not in—both ways. For things like chiropractors and doctors, they have this paper-based system at the border, but there is no mechanism other than the one we have already in the temporary foreign worker program.

It doesn't exist in trade deals because we've never traded these kinds of things before with other countries in the skilled trades. It's always been an off-limits jurisdiction, so to speak. We feel that some of the access that some of the other industries have gotten around the world have been traded for access to the skilled trades here in Canada in the labour market.

There is no mechanism because we've never done it before.

[*Translation*]

**Ms. Linda Lapointe:** You talked about electrical workers from abroad; that's one example. You said that the skills were not the same.

We know that a great deal of caution is needed when working with electricity. How could you ensure that foreign workers have the same skills, especially in the building trades?

[English]

**Mr. Matt Wayland:** In terms of skill sets, the Canadian Welding Bureau, for instance, has testing modules across the world. As Chris mentioned, if they want to bring welders in, there are different testing booths they can do around the world. I don't know if that would be the same, but it's not just the dangers of electricity, it's also the methods and codes. For instance, I mentioned earlier the auto factory individuals who hooked up to the wrong side of the power. It was a much higher voltage that would have blown the transformer and ruined the equipment, but it also could have hurt somebody in the process. It's a bit difficult on that end as well.

Don't get me wrong; there are some very skilled electricians from other countries, for sure. I'm not doubting that whatsoever. But I think when they get here, maybe there's an aptitude test given, not only on the code but also on the practices.

[Translation]

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

Have groups like yours been consulted during the TPP negotiations?

[English]

**Mr. Christopher Smillie:** We tried a number of times to meet with the government and the previous trade minister to talk about the TPP, but our meeting requests were always declined.

[Translation]

**Ms. Linda Lapointe:** So you are not aware of any groups like yours that have been consulted. Is that correct?

[English]

**Mr. Christopher Smillie:** No. Even groups like the Canadian Construction Association, which represents contractors, trade contractors, big companies that do construction, had no idea these things were coming in this deal, especially the access to subnational procurement. All of the infrastructure bids in your home ridings will be open to foreign bidding, and now also the potential to bring in a workforce when they come.

[Translation]

**Ms. Linda Lapointe:** If the agreement were ratified, do you think more foreign workers would come to work here or would more Canadians go to work abroad?

[English]

**Mr. Christopher Smillie:** I think on the whole, we're going to get more than we give. Our contractors generally aren't operating worldwide. They are operating in North America.

May I respond quickly about the safety question?

**The Chair:** No, the time is up. Maybe you could jump in on another question so you can get your full thoughts across.

[Translation]

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

[English]

**The Chair:** We'll go over to the Conservatives, for five minutes.

It's good to see another member joining us. Mr. Trost, welcome to our committee.

Mr. Ritz, you're up.

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

Thank you all for your presentations here today. As you can see, it's always tough to have balance in all of this.

I do take exception with some of the comments that you weren't consulted. Anyone who wanted to be consulted signed a non-disclosure agreement, and they were. Were you guys not offered the ability to sign a non-disclosure agreement? How did you miss that? It was up on websites. I talked about that with a lot of agricultural groups, and so on.

● (0945)

**Mr. Phil Benson:** As a matter of policy, we believe in democracy and openness and, from somebody who does have to sign secret and confidential agreements dealing with various aspects, it's pretty tough to sign a non-disclosure agreement and have to go back to Mr. Froelich and say, "I'm sorry, I can't talk about it with you."

Compared with NAFTA, I think personally it was a mistake not leaving it open to the public. There's too many straw men out there, so the answer is no.

**Hon. Gerry Ritz:** There's a difference between a bilateral and multilateral, though. I'll make that point.

Mr. Smillie, you just said there's no Canadian companies working abroad. I think SNC-Lavalin and Poole would take exception to that. They do large contracts, and they will have the ability to move people to other countries who have signed onto this agreement as well.

**Mr. Christopher Smillie:** Sure, but those are construction engineering companies, not necessarily trade contractors or general contractors.

**Hon. Gerry Ritz:** But they bring managers, and they bring specialists, and so on.

**Mr. Christopher Smillie:** Right, but generally when they go, they don't take hands-on workers because that company is not the actual construction company. They hire sub-construction companies to actually do the work for them.

**Hon. Gerry Ritz:** Why wouldn't that be the same case with companies coming into Canada? It's easier to hire locally than it is to move people in and house them, and all that.

**Mr. Christopher Smillie:** It could very well be, but I'm saying the opportunity will exist and we need to think carefully about whether that is something we want.

**Hon. Gerry Ritz:** Sure. Exactly.

Mr. Wayland, I think you were saying the organization you represent is North American-wide.

**Mr. Matt Wayland:** That's correct.

**Hon. Gerry Ritz:** We have Canada, U.S., and Mexico all involved in this TPP deal. What are your thoughts on the labour and environmental chapters that seek to raise.... The high tide floats all boats. There are some questions about labour standards and environmental standards in Mexico, so this now brings them to our standard. It's not about dumbing us down. It's about raising them up.

Are you happy with that clause?

**Mr. Matt Wayland:** On the environmental side, I'm not aware of the clause. I've focused specifically on labour, so I can't touch on the environmental side.

Obviously, raising standards for labour workers across the globe is important to us. At the same time, I think we look at the standards we try to set. You mentioned bringing workers over to different countries through SNC-Lavalin or those types of things. As Chris mentioned, typically those contractors, even if a large general was going to do work for SNC-Lavalin, they would bring maybe a general foreman or a supervisor over the whole project and then come there, but they would be under the standards of that individual country, obviously, not Canadian standards.

**Hon. Gerry Ritz:** Exactly. Then Canadian standards take precedence when they come here, so that does carry on.

You talked about codes. You mentioned Russian, Chinese, and Ukrainian electricians. They are not involved in the TPP, and I wanted to clarify that, but there are also huge differences. I was a general contractor; it paid for my farming habit. There are huge differences province to province in codes. I mean, an electrician from the Saskatchewan side of Lloydminster can't simply walk across to Alberta and do things either.

**Mr. Matt Wayland:** There is a Canadian electrical code which supersedes everything. That is the standard across Canada. There is a Canadian electrical code that will identify it, and it's the same with the Canadian building code.

**Hon. Gerry Ritz:** Sure. You can adhere to that, but then there are variances between Saskatchewan and Alberta, B.C., all the way across, so those standards have to be met as well.

**Mr. Matt Wayland:** Very minor, but yes.

**Hon. Gerry Ritz:** Yes. Electricity is dangerous. We all agree on that.

Mr. Chopra, on your talk about rBST, the point that needs to be clarified is this is not a human health issue; from Canada's perspective, it was an animal health issue. Basically, it burns the cow out faster, and that's why it was banned in Canada. It has nothing to do with human health. The science is there to say it's not a problem.

**Mr. Shiv Chopra:** That is wrong, sir. That's an incorrect statement. If the cow is sick, if the cow has poisoned the milk, if in the milk there's a secondary hormone that causes cancer, then that safety is not just for the cows. We're talking about human health.

When I worked in the human safety division—

**Hon. Gerry Ritz:** But I'm talking about the ruling that was made on rBST.

**Mr. Shiv Chopra:**—and when the Senate looked at it, they not only looked at the rBGH. There's an interim report you should look at from the Senate committee. It's the rBST investigation and the drug regulatory process at Health Canada that was compromised. That should be looked at.

**Hon. Gerry Ritz:** Okay, sure.

**Mr. Shiv Chopra:** It's not a matter of just trade. This is a matter of safety, public safety.

**Hon. Gerry Ritz:** Absolutely.

**The Chair:** Mr. Ritz, you have 15 seconds.

**Hon. Gerry Ritz:** The concern I have, then, is that you're saying all the scientists at Health Canada, PMRA, Ag Canada are wrong and you're the only one who's right.

**Mr. Shiv Chopra:** No, sir, that's not correct. I am saying that we have five materials in our food supply that have been approved contrary to the requirements of the Food and Drugs Act and regulation by the Minister of Health. That was recognized by the Senate agriculture committee while they were investigating, and those hormones and antibiotics.... It's precisely because of that reason the European Union will not trade food with us. They actually banned the BGH in the European Union for the same reason and in Canada we didn't. Therefore, we have genetically modified organisms that have never been assessed. We have hormones, beef hormones.

**The Chair:** Sir, the time is up. We're going to move—

**Mr. Shiv Chopra:** Health Canada should actually publish the MRLs.

**The Chair:** Sir, your time is up, sorry.

**Mr. Shiv Chopra:** They don't publish in the *Canada Gazette*. They're breaking the law.

• (0950)

**The Chair:** Okay, we're going to move over to the Liberals now.

I just remind MPs, and of course the panellists—and I'd sooner not have to cut anybody off—that if you see the red light on, just finish your remarks because I'm going to try to get back to another MP and move on.

Madam Ludwig, you have the floor for five minutes.

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

Thank you all for your presentations. It's absolutely fascinating to listen to the testimony and the variations and some of the similarities between them.

My first questions will be for Mr. Smillie, Mr. Wayland, my friend from New Brunswick, as well as my colleagues at the end of the table.

It terms of trade agreements, you've all said that you support trade. Is there a particular trade agreement Canada is engaged in that does protect workers like you're looking for?

**Mr. Christopher Smillie:** No. This is a new wrinkle in our universe. As I mentioned previously, NAFTA has a system for professionals and there's no real mechanism, other than a paper application at the border. So this is new wrinkle, and this is why we were so surprised. The temporary foreign worker system that we currently have is strained, at best. The previous government did a bunch of work to make changes to further protect Canadian workers. We thought those were decent. But if you talk to the people at Service Canada, or ESDC, they get somewhere in the range of 500,000 applications a year for the TFW program, so it's strained.

**Ms. Karen Ludwig:** Okay, thank you.

**Mr. Phil Benson:** Going back to NAFTA, that did not allow construction workers to come to Canada. Where I was working at the time, I spent an inordinate amount of time trying to get Americans and Mexicans, Americans mostly, out of the country. If you look at chapter 16, the business guide, there's an entire two pages on trades. I helped draft that. This is unprecedented. It's temporary foreign workers on steroids.

As for labour protection, side deals on labour, to be blunt about it, in trade deals they are worth nothing. We have these labour standards, etc., and they are all nice words. We have it in NAFTA for Mexico, and we have it in other trade deals for other countries, and not a darn thing has happened to elevate anything.

At the end of the day, with the other trade deals.... When their grain goes to market, I guarantee you it's a teamster taking it to market. But you have to look at the entirety of the deal. From other deals, there's 400,000 manufacturing jobs that have been lost over the last 30 years. Wages are stagnant. With all due respect, agriculture is a very small part of our economy. It does not employ a lot of people. I'm talking about total GDP. It's okay, and I totally support them, but to sign a trade deal that benefits that industry but hurts this one, this one, and this other one, that's a little problematic for us.

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

Mr. Wayland.

**Mr. Matt Wayland:** I think Mr. Benson and Mr. Smillie covered most of the points. It's the first time we've seen a trade deal where we've had to deal with labour mobility between those countries. We've looked for labour mobility between Canada and the U.S., and we haven't been able to get that, even though our trade practices, our codes, are very similar. Being neighbouring countries, it would be a big help, but outside of that, what we see in the TPP as far as the flow of labour is concerned is not advantageous.

**Ms. Karen Ludwig:** In my experience with temporary foreign workers in New Brunswick most of them were in the lower-skilled area. It was my understanding that with the TPP the mobility of workers affected the higher-skilled area.

I have a question for Mr. Chopra.

The use of rBST in the U.S. has been approved since 1993 and commercially sold since 1994. The U.S. Food and Drug Administration does not consider rBST to be a threat to cows or human

health. What research can you tell us that the Americans have done to show whether or not there is a damaging effect on human health?

• (0955)

**Mr. Shiv Chopra:** I don't know if I fully heard the question. What did the Americans do?

**Ms. Karen Ludwig:** They have approved rBST since 1993 and have commercially sold it since 1994. It's been in their market for decades. What research has been done on the consumer side and the animal side as a result of it being in the American market for so long?

**Mr. Shiv Chopra:** In Canada, rBST is simply not allowed to be used in Canadian cows. That's what happened in Canada.

**Ms. Karen Ludwig:** What about on the U.S. side? It is in use there.

**Mr. Shiv Chopra:** On the U.S. side, it was already approved back in 1993. We rejected it here in 1999, and the European Union rejected it right after.

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

**Ms. Karen Ludwig:** Is there any study or any research that you can draw upon?

**The Chair:** The time is up, folks.

**Mr. Shiv Chopra:** Those studies showed that it was toxic and it was potentially harmful to people, and certainly harmful to cows.

**Ms. Karen Ludwig:** If you could submit those studies to the committee, that would be great.

**The Chair:** Thank you.

I like lively dialogue back and forth, but it's not good when it's in the last minute or last few seconds. Try to get your lively debate going at the front end so we can hear all of it.

We're going to move over to the Conservatives. Mr. Van Kesteren, you're up.

**Mr. Dave Van Kesteren (Chatham-Kent—Leamington, CPC):** Thank you, Chair, and my thanks to all of you for being here. It's a great discussion.

I want to clarify something. Mr. Smillie and Mr. Wayland, you mentioned the safety aspects.

Mr. Smillie, you made an interesting comment. You said that it's very difficult for us to go into the United States. The one aspect you are forgetting, and Mr. Ritz alluded to it too, of being in the construction business, and we all know people who talk about the standards in this country. Are you seriously suggesting that people from Vietnam—I know you are going to mention Australia, but that's a long way away and we have a reciprocal agreement there—but Vietnam, or even Japan with its serious aging problem, are going to learn our standards and be able to meet them and compete with electricians right here in Canada?



Give us a short answer, please.

**Mr. Matt Wayland:** I'm not saying that at all. Under the TPP, what could happen is they'd have carte blanche to come over. They have a licence in that country; they'd come over. There's no meeting our codes or making sure they get to our codes or training.

**Mr. Dave Van Kesteren:** I would challenge that. Nevertheless, wouldn't it stand to reason that local authorities would just come right in and say, "What are you doing? You're putting different...".

**Mr. Christopher Smillie:** We'd hope so, but we have an enforcement problem as it is in many of the jurisdictions today.

**Mr. Dave Van Kesteren:** So you don't really have a concrete thing that we can point to and say....

Mr. Wayland, I know that you talked about it. I'd be interested to know exactly what the circumstances were. But we're not seeing a flood of immigrant workers who are competing against our electricians, which have the highest standards in the world.

**Mr. Christopher Smillie:** What I would say is that safety is about training—

**Mr. Dave Van Kesteren:** Well, I agree.

**Mr. Christopher Smillie:** —and it's about the training people have received. In Peru, in Mexico, and in Japan, they do not have an apprenticeship system that is equivalent or equal to our system.

**Mr. Dave Van Kesteren:** You're proving my point. I'm not seeing too many Mexicans coming here. We've had an agreement with them for years. I'm not seeing too many Mexican electricians. I don't think I've seen any, quite frankly. I just—

**Mr. Christopher Smillie:** It's because they're not able to.

**Mr. Dave Van Kesteren:** It's the one part of your argument that I'm really having a hard time with. I see where there might be some competition that really we couldn't compete with, but they don't have the standards. They don't have the training. Our people here, in the localities, would shut them down in a heartbeat. Wouldn't you agree?

**Mr. Matt Wayland:** If I may, I would say that our standards are very high, but they wouldn't shut them down in a heartbeat. I've seen it. I've worked on the tools. I've worked on job sites where it's gone on—

**Mr. Dave Van Kesteren:** Can you give us some of those examples? That's what we really need. We need to see that this has happened here, here, and here.

**Mr. Matt Wayland:** I mentioned one earlier in my remarks, but yes.

**Mr. Dave Van Kesteren:** Maybe just so we can look at that. I appreciate that.

Mr. Benson, it's good to see you. You and I have been around for a long time. I would consider you a friend

• (1000)

**Mr. Phil Benson:** And you too, sir.

**Mr. Dave Van Kesteren:** We've had some great chats. When we get together again we'll have this discussion again too. Without exception, industry—and I'm not talking about the big multinationals that everybody likes to hammer; I'm talking about the small, individual farmers and the small and medium-sized businesses—all

are telling us this is a great thing. So there's a disconnect. We recognize there's a disconnect.

I read an article recently, maybe a month ago, but at any rate it was about the Teamsters in the United States. They are experiencing an enormous shortfall, and actually a catastrophe in the making, in their pension. You and I talked about pensions and you told me how you service your own pension in the Teamsters, and I applaud you for that.

I'll tell you what keeps me awake at night. It's losing the ability to do business with the United States. If that were to become a reality.... They said that in just a few short years you guys are going to run out of money. The United States Teamsters would say, "You have to stop this. We're going to shut the borders up", and they would close the borders rather than open up borders, which is what trade agreements do. How would you respond to that?

**Mr. Phil Benson:** First, on the pension issue, it's complicated, but it really goes back to a Republican bill that passed the House.

**Mr. Dave Van Kesteren:** Okay, Phil, answer my question. Are you a bit worried like I am that the United States, and especially the labour union—and I would completely understand it—would say, "That's enough of this. These manufacturing jobs that you're putting into Canada for, whatever, the low dollar at 75¢.... This has got to stop and we want to see this thing here", so the protection walls would fly up again? It's a reversal of where we're going.

**Mr. Phil Benson:** I'm not concerned at all with a protection wall flying up between us and America. The IBT, which we're proud members of as well, isn't. The concern isn't with the United States of America. We have the NAFTA with them that's been fairly decent. We have some problems with it—

**Mr. Dave Van Kesteren:** Trump said he's going to rip all those agreements up.

**Mr. Phil Benson:** Who?

**Mr. Dave Van Kesteren:** Mr. Trump.

**Mr. Phil Benson:** I don't think we'll be supporting Mr. Trump. You don't have to worry about that, Dave.

**Mr. Dave Van Kesteren:** It's good talking to you, Phil.

**The Chair:** You had to throw that Trump in there, didn't you?

**Mr. Dave Van Kesteren:** I'm pretty sure you can count on that.

**The Chair:** That's like throwing the cat in with the pigeons.

We're going to move on to the NDP for three minutes.

Go ahead, Ms. Ramsey.

**Ms. Tracey Ramsey:** First of all, I think that people who have a pension in this country should count themselves lucky and fortunate that they even get to think about a pension, because many Canadians do not. The overwhelming majority of Canadians do not.

I want to talk about jobs. What we're talking about is a real threat in chapter 12, in this labour mobility chapter. Make no mistake. We've had many people before our committee, including presentations from lawyers, who have dissected it.

My question is for Mr. Smillie. You spoke about the irreversible nature of chapter 12. Can you expand on that, please?

**Mr. Christopher Smillie:** Sure. Once you sign a trade deal like this, it is good forever and always. There's no ability to go back to the trading partners and say, "Oh, by the way, we're getting negative feedback from Canadians and there are job losses associated with this. We want to change this, and we want to make sure that we get it right for Canadians two years from now." Well, you don't have that ability. Once you sign that deal, there's no way to change it. With this deal, it's up or down. It's ratify or don't. That's driven by—

**Ms. Tracey Ramsey:** That's fair. I think that's the position we're in. We know we're in a yes or no situation. The thing is with the TPP, some of you would not be sitting here if chapter 12 didn't exist. Let's be honest. We can't sit and speculate about what we have and what we could have, because we've never had this. The most concerning piece is that our largest trading partner, the U.S., opted out of this chapter.

Mr. Wayland, can you speak to the impact this could have on trade coming across the border? We're not looking at people coming from Peru and different countries, but certainly the U.S., and people who do not have proper qualifications, don't need to present them in the TPP.

**Mr. Matt Wayland:** Absolutely. Someone mentioned GDP earlier. The construction industry is 14% of Canada's GDP on a consistent basis. We have not seen any studies, nor have we commissioned any on our end either, on what impact that would have. The answer is, as Chris mentioned, we don't know—it hasn't been included in a trade deal before—what that would look like.

Are we concerned? Absolutely. Otherwise we wouldn't be sitting here talking about chapter 12.

**Ms. Tracey Ramsey:** It's reasonable to say that we could see people without Canadian qualifications, or even certification from the United States, coming across the border. I live in Windsor. Essex is my riding. We certainly have seen this. We need Canadian jobs in our communities and this is a threat to that, so I think it is fair that you're sitting here presenting on that aspect.

Go ahead.

**Mr. Matt Wayland:** Anyone around the table, especially as elected officials, if an electrician or a carpenter or a pipefitter or a welder were sitting at home on employment insurance or was out of a job and looking for work, and there were foreign workers coming in through the TPP, not even through the temporary foreign worker program, doing work in your riding, you would be getting a lot of phone calls and emails about it. It would definitely have an impact on your constituency.

•(1005)

**Ms. Tracey Ramsey:** I get those phone calls all the time. We've seen local work go out to different contractors. I have IBEW members who are unemployed in my region who can't find work, so it's certainly a real issue.

**The Chair:** Thank you, Ms. Ramsey.

We'll go to Mr. Fonseca, for five minutes.

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

Thank you, witnesses, for your presentations.

This TPP race started a long time ago, as far back as 2006. In 2008 the U.S. came in. As one of the last to join, it was 2012 when we joined in those negotiations. Our biggest trading partner, friend, competitor, is the United States and they were four years ahead of us.

I understand the non-disclosure as the negotiations, the consultation, was going on, but do you feel because, knowing that chapter 12 was pretty much done and the United States was out, that part of the agreement had been concluded, it was even worth your while to be at the table then?

Mr. Smillie.

**Mr. Christopher Smillie:** Nobody knew the U.S. was out until the document was released by New Zealand in November, so that was a surprise. I'm not trying to rebut your question in any way, but because of the nature of how it was negotiated, nobody knew the U.S. was out. That was the key point. The U.S. trade rep is proud, and continues to be proud, that no immigration law was changed with the U.S., no American job will be lost. You can go to their website and check it out. It's quite patriotic.

I don't think we have that same moral ground to stand on with chapter 12. The problem was that nobody knew. If there was a discussion with labour providers starting in 2006.... In fact, we worked with the U.S. government quite closely on the beyond the border working group to try to get labour mobility between Canada and the U.S., and we were told not to worry, that this would all be fixed with the TPP. Then we saw the result. They backed away. The problem is nobody knew, so how do you do a negotiation and figure out what's best for your country when you don't really know what's going on?

**Mr. Peter Fonseca:** Yes, Mr. Benson.

**Mr. Phil Benson:** I reject the notion that these have to be confidential and secret. NAFTA was done publicly with full participation of trade unions, NGOs, everybody else. There was an election fought over it and Mr. Mulroney won that election. I reject the notion that somehow something can fundamentally change our democracy, fundamentally deal with what you or perhaps the NDP or the Green Party or the Conservatives coming back into power can't change because you've agreed to it. It should not be done in secret. I reject that notion. It should be held publicly. People should be involved. We should know what's going on, and that idea.... As Mr. Smilie said, this permanently changes the game. Here's my fear: once it is done in one deal, the clamour will come from business and other people that it has to be in all deals, and how do you stop it?

**Mr. Peter Fonseca:** In my riding I have a number of large contractors actually that are national and global in scale. When you look at a company like EllisDon, the concern I've heard is that in some depressed markets when it comes to infrastructure, like Spain where they've had a bit of a crisis, they may come through a country like Mexico, which would be part of the TPP, if ratified, and then be able to set up in Mexico and then move into Canada and take over many of the large infrastructure projects. Is that a concern that you've heard?

**Mr. Christopher Smillie:** There is nothing stopping that kind of thing.

The only issue with something like that in terms of workers is that the workers have to originate in the country that we've signed a side deal with. In terms of contractors, it might end up being a Spanish country, but in fact we'll only accept the workers from the five side deal countries, so they'll have to show admissibility based on their being from Mexico, and the list goes on, Peru, or Australia.

The companies are one thing, but the workers would have to come from a country of origin and be admissible under TPP.

**Mr. Matt Wayland:** We can add to that.

We spoke to our electrical contractors, both at the provincial level and at the national level, and they were quite concerned about that, not only from our workers' standpoint but with regard to their process of running a business, and that was from small contractors right up to our largest ones in Canada.

●(1010)

**Mr. Peter Fonseca:** Okay, thank you.

Chapter 12 of the TPP mentions temporary entry for business persons only, which is what it says, and not for workers or tradespeople.

How would you see that this would not be able to stop those from being "on the tools", as you say?

Mr. Wayland.

**Mr. Matt Wayland:** If you look under chapter 12, I think you're referring to section A, Business Visitors. Is that correct?

**Mr. Peter Fonseca:** It's chapter 12, and it's in 12.2 and 12.4.

**Mr. Matt Wayland:** Under section C would be Intra-Corporate Transferees, but also the next one, which would cover workers, would be under section D, Professionals and Technicians.

**The Chair:** That wraps up the time there.

**Mr. Phil Benson:** Section D would enable technicians and so our tradespeople would be defined as technicians.

**The Chair:** Are you all right there for clarification? Good.

We're going to move over to the Conservatives for five minutes. This is their third round and it's our last round.

We're going to start off with Mr. Trost, for five minutes.

**Mr. Brad Trost (Saskatoon—University, CPC):** Thank you, Mr. Chair.

It's been a few years since I've been a permanent member of this committee, so it's good to be back.

I'm going to put my questions in the following context, partially because my job is to specialize in Canada-U.S. trade and Canada-U.S. issues. I was down in the Congress and talked to various congressmen there.

First of all, I think the Liberal government's consultations are about buying time to see what the U.S. is going to do if—hang on there, Sukh, I'm not scolding you guys—and they'll decide, one way or the other, based upon what's going on in the United States. Having talked with Republicans and Democrats, I personally would say that the U.S. probably has less than a 1% chance of ratifying the TPP.

In some respects, my questions are going to be looking forward, beyond the TPP, to what we would do if we would redo the TPP later on, if we would end up doing a bunch of bilaterals, let's say an independent bilateral with the United States, Japan, etc., and through the list.

I'm going to start with a friend from the natural resources committee in the past, Mr. Smillie, and then whoever else wants to jump in on this one can.

If we had to start this over again as far as looking for ways to increase labour mobility for Canadians going abroad goes, where would you start? I'm not asking about people coming in, but I'm saying let's figure out a way and figure out what we should negotiate, and how we should do it to get more Canadian welders to be able to work on projects in Mexico, Peru, Japan, Malaysia, etc. Where would you start?

I'm looking beyond the TPP. I'm talking about in the next round when we do this, since this has turned out to be a practice round, or I'm 99% sure of that. What would we do to enhance the ability of your members to go abroad and work on some really great projects?

**Mr. Christopher Smillie:** I think we fix North America first. I think we work Canada, U.S., and Mexico with the same contractors, the same purchaser of construction, the same energy companies doing business in all parts of the jurisdiction, and then we look to Europe. I think that's a natural fit.

I'm not sure if you've asked actual construction companies to come to testify about this issue.

**Mr. Brad Trost:** I'm a substitute on this committee, so—

**Mr. Christopher Smillie:** It seems like a world away to go to do business in Japan. Japan has some of the largest construction companies in the world, and my personal gut feeling is that PCL or EllisDon probably wouldn't win a bid in Tokyo for a long, long time. They have a much better chance of expanding their business here at home or in Europe. In fact, PCL is working in the United States, so let's get it right at home first.

But with the friendships and systems that we know—

**Mr. Brad Trost:** As far as who we should focus on specifically for trade is concerned, what would we do? Let's say we are focusing on North America first. I remember being offered a job by Baker Hughes Atlas to go down into Texas. We didn't even think twice. I was a geophysicist and would have been covered under NAFTA. How is this different for the expanded trades?

**Mr. Christopher Smillie:** Add the skilled trades to the NAFTA visa occupations.

**Mr. Brad Trost:** The NAFTA visa works, but just add more occupations to it.

**Mr. Christopher Smillie:** Yes. The U.S. isn't too excited about renegotiating the NAFTA occupations. We got that message from the White House. Start there, and mobility would be improved between Canada and the U.S.—

**Mr. Brad Trost:** Let me throw this out, then. Does everyone else agree, then, that the NAFTA occupation negotiations were a good idea, and that this should be a template, just expanded, provided, of course, that the countries are similar enough that we can work back and forth?

• (1015)

**The Chair:** There's only a minute left.

**Mr. Brad Trost:** They'll have to be quick answers.

**Mr. Shiv Chopra:** With your permission, I would like to speak to it. Rather than just workers, wherever they work from...I know it's a question of trade, but we should be looking at the product. What can Canada best produce that the world wants and is the best in the world? That is exactly where the SPS clause comes in. We should be concentrating on making our food the best in the world and following our own laws that exist now—

**Mr. Brad Trost:** One of the things that we see going forward is that we can make the best products, but people are services. If we have the best people, we can move those services abroad. If I hadn't been elected to this place, Texas would have been a great place for me to work.

**Mr. Shiv Chopra:** We have to follow our own laws first. We have to follow our own law, which is the Food and Drugs Act. We are not following that law. That is a very important thing. It's why the Europeans won't buy our food; Japan is reluctant, and South Korea is reluctant. They don't want to buy our beef and they don't want to buy our cheese, but they are able to export to us. There is no way—

**Mr. Brad Trost:** I can see Ms. Cook's body language.

Do you want to finish up in my last five seconds?

**The Chair:** No, there's no time left, Mr. Trost.

**An hon. member:** He can have mine, Mr. Chair.

**The Chair:** You might have more time later on. We are moving over to the Liberals now.

Mr. Peterson, you have five minutes, and I hear you're splitting the time.

**Mr. Kyle Peterson:** Mr. Chair, you're correct. I'm going to split my time with Madame Lapointe.

Following up on Mr. Trost's framework, we're all looking at what's going to happen in Canada if we ratify the TPP, and that's presuming that we're looking at a deal or no deal. Has anyone given an assessment or analysis of what happens if our partners—Mexico, the U.S., and other countries—enter the TPP and we don't?

I think that needs to be the analysis because, as Mr. Trost pointed out, the U.S. may not ratify it, in which case there may be no deal at all, so there's no point in even doing that. But if the U.S. is in, Japan is in, Mexico is in, and we're not, has anyone done the analysis on what impact that would have on your various industries and trade sectors?

**Mr. Phil Benson:** I thought there was an automatic entry once you sign the agreement if enough parties sign it, so America and Japan, we're in. It might be whether you sign it or not....

As we've said, the C.D. Howe Institute has said it's negligible as to whether we sign it, as 98% of the stuff we deal is already free trade. For us, the only complaint we're getting from the farmers' groups is not being able to move enough grain to existing markets, so I don't think it would have a major impact whatsoever. The questions we have to ask are on the negatives that you've heard about: trademarks and food safety.

On food safety, a big issue that I've heard people talk about is the science. I know that Mr. Chopra, whom I really respect and have known for many years, is right, but even if he's wrong, as we know about pipelines and moving oil by pipeline, what the facts are is irrelevant. If people are convinced in Japan and elsewhere, especially in Europe, that the dairy we're trying to sell is somehow tainted, you aren't going to sell a lot. That's the aspect: how do we look after Canada?

My call to you was to look at this point of how many jobs, and not just jobs, but how the wages of the middle class and the workers are going to go up. How are we going to grow consumers for the economy if 17% is construction and 70% is services? When you work through it, there's not a lot left. How do we make sure they have enough money so that we can grow our economy?

That's exactly what your government did in the budget, and I hope it continues. Congratulations for doing that. It's the first one I've seen in 24 years that did that, so good for you.

**Mr. Kyle Peterson:** That's my portion of the time.

**The Chair:** I think Mr. Carey wanted to make a comment.

**Mr. Dave Carey:** With all due respect to our Teamsters friends, agriculture and agrifood processing is the largest manufacturing sector in Canada. It surpasses auto and aerospace combined. Canadians do export agriculture goods to Europe, to Japan, and to all those markets, and Canadian agriculture products are applauded abroad for their safety.

**The Chair:** Madame Lapointe.

[Translation]

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

I have a question for the officials from Grain Growers of Canada.

A report by the U.S. Trade Representative on the topic of trade barriers in Japan suggests that “Japan requires wheat to be imported through [the Ministry of Agriculture, Forestry and Fisheries]” of Japan, which then raises the prices of wheat.

Do TPP countries or trading entities other than Japan apply markups on the wheat they import from Canada?

• (1020)

[English]

**Ms. Margaret Hansen:** As far as we know, it's Japan.

[Translation]

**Ms. Linda Lapointe:** So Japan is the only one.

Which grain producers would benefit the most from the TPP? You have mentioned those who produce canola, wheat, oats, but which ones would benefit in terms of exports?

[English]

**Ms. Margaret Hansen:** It's most likely canola. A lot of canola goes into Japan. They take our seed but not our oil because there is a tariff on canola oil going into Japan. Australia has a green agreement in Japan, so they're getting preferential access tariffs on the canola seed industry as well. The TPP would put us on a more level playing field. It's expected it would also bring more canola seed processing to Canada. We have developed a canola processing industry. It employs a lot of Canadians in high quality, high paying, specialized jobs, and we would anticipate those to increase.

[Translation]

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

I think I'm out of time.

Thank you very much.

[English]

**The Chair:** We're going to move over to Ms. Ramsey.

**Ms. Tracey Ramsey:** Thank you so much.

You perked up my ears when you were talking about jobs, because I come from a portion of the country that has seen huge unemployment rates over the past 10 years. It's been very devastating to southwestern Ontario. When you're talking about jobs, specifically the grains and seeds, can you tell us how many jobs you anticipate you would add in Canada under the TPP?

**Ms. Margaret Hansen:** It's difficult to know how many jobs we would add. We do know that agriculture and agrifood probably employ one in eight Canadians. It's the third largest contributor to GDP. Jobs would be added. It's also what would be lost potentially by not signing on. We know that as farmers we're just one aspect. We grow and sell the seed, but it's the whole value-added chain, the whole suppliers, all the communities.

**Ms. Tracey Ramsey:** Thank you. Seeds: do you have any estimates on how many jobs would be created in Canada under the TPP?

**Mr. Dave Carey:** We don't know the exact number of how many jobs would be created, but we do know that as exports increase and more products are being produced, more people have to be employed. The seed industry has increased exponentially in employment numbers over the past number of years.

**Ms. Tracey Ramsey:** This is probably the toughest thing we face because we have no economic impact study from the government; therefore, we don't know where we are in terms of jobs in Canada. We're relying on different studies. Some of them have been mentioned here today. The one that stands out is the Tufts University study because it estimates we'll lose 58,000 Canadian jobs. That's massive. Although there will be gains in certain sectors, this is an overall snapshot of what would happen in Canada. You have heard from others about the amount of growth.

I want to go back to you, Ms. Hansen, because I would like to dig into the non-tariff barriers. This is something we've heard from agriculture across the board, and this is a far larger problem than reducing the tariffs. In many cases we're not able to get into those markets because of these non-tariff barriers.

Can you speak to us about which TPP countries you face the biggest challenges with in terms of non-tariff barriers?

**Ms. Margaret Hansen:** We face some significant challenges with Japan. This is certainly an opportunity for Canada to be a leader in this dialogue for sharing scientific studies, scientific standards, all those types of things.

**Ms. Tracey Ramsey:** I think it's tough. It's clear that a committee will be established, but there is no direction around that committee nor any type of resolution process of the non-tariff barriers that will come to that committee for discussion. There isn't a guarantee in the TPP that the non-tariff barriers will diminish, and that you will be able to have access to those markets.

It becomes tricky trying to say that you would like to have access with the tariffs, and that's fine, but the non-tariff barriers could still prevent you under the TPP because there isn't a mechanism other than the committee. We've seen in other trade agreements, unfortunately, that those committee processes haven't resulted in eliminating those non-tariff barriers.

**Ms. Margaret Hansen:** What it does provide is a platform for discussion, and a way to involve many nations at one table to have that dialogue and work towards that. It's something we need to do. The language in the TPP is strong in promoting a scientific basis for making decisions.

It does provide a good platform for us to work from.

•(1025)

**Ms. Tracey Ramsey:** What do you think the Canadian government could do to help with the non-tariff barriers?

**Mr. Dan Wright:** In the TPP, there are provisions in the LLP that would cover it off.

Identity-preserved, non-GMO soybeans are a great example in Ontario. Twenty-five per cent of the soybean acreage in eastern Canada is for non-GMO IP soybeans that get exported into many of the TPP countries. Export companies, like the great Canadian company Richardson International, export lots of soybeans. They have high anxiety around low-level presence every time a boat leaves for those areas, and this directly identifies that.

I might also add that there's incremental value added for these growers, because on non-genetically modified organisms, they get a premium of anywhere from \$1 to \$5, and that's great value for Canadian growers.

**Ms. Fiona Cook (Executive Director, Grain Growers of Canada):** I want to add that one of the markets that is not in the TPP is of course China. These non-tariff barriers are a big issue with China. There's a lot of uncertainty. The TPP framework may help in future negotiations with China, which is a very large and important market.

**Mr. Dave Carey:** Canada was sort of the first out the gate to develop an LLP policy for grain, so Canada's really leading the world in that respect. We are very thankful for that, and hopefully, that will be established as a basis worldwide.

**The Chair:** Thank you.

Thank you, Madam Ramsey.

The Liberals have five minutes.

**Ms. Karen Ludwig:** I'm back. I'm splitting my time with my colleague, Mr. Fonseca.

My questions are specifically for Mr. Smillie and Mr. Wayland.

You both talked about the transfer, or what are sometimes the challenges of the transfer, of credentials in Canada. What would you recommend for a freer flow of skilled tradespeople in Canada from coast to coast?

As well, could you offer us any insight into what types of trades we may have a shortage in, and may need to have further training in to prepare more Canadians to fill the jobs that your organizations so well support?

**Mr. Christopher Smillie:** Internationally, Canada and the provinces need to negotiate mutual recognition agreements in the skilled trades if they wish to have some semblance of foreign credential recognition of our trades.

Within Canada, we have the Red Seal program. Mr. Wayland talked about that. Apprentices and journey people can challenge the Red Seal, and they're good to go pretty much anywhere across Canada.

Maybe I'll let Matt add anything he has.

**Ms. Karen Ludwig:** What if someone is not a Red Seal? Let's say they're in block B, block C, or block D. Is that recognized interprovincially?

**Mr. Matt Wayland:** In the provincial apprenticeship system, it is not. There's an Atlantic harmonization of the trades. I think an expansion of that within Canada would increase the ability.... As various members have mentioned, they have some low pockets of unemployment where people aren't going to work. Well, if an apprentice isn't going to work, they're not getting their hours to become a journey person.

There are some barriers to entry to become a certified tradesperson. If they're out of work for three to six months, they need to put food on the table, so they're going to find work somewhere else. Sometimes that's outside of the trade. Being able to move within the country would definitely improve their ability to finish their hours, complete their trade, and become a Red Seal in whatever trade they're in.

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

Peter.

**Mr. Peter Fonseca:** I want to ask something along the line of questioning of Mr. Trost and Mr. Peterson.

We know that the TPP is kind of far off on the horizon, but before us right now is the CETA. We're looking at ratification. Can you compare the two?

You can talk about the negotiations as well as the labour component, which is what I'd like to hear about.

How do the two compare, Mr. Benson?

**Mr. Phil Benson:** We're talking about apples and oranges.

The negotiation was the same. It was in secret. We weren't involved. The side agreements probably aren't worth much, but you have to remember we're dealing with a sophisticated OECD country. We deal with the unions in Europe. We have similar regulations. We have similar safety standards, and so on.

It's just like with the United States. You could argue that down there it's a little third world in spots, but it's not the same as dealing with a lot of other countries that aren't there. We have our problems with CETA as well.

**Mr. Peter Fonseca:** It does not cover labour mobility.

**Mr. Phil Benson:** No, it just doesn't cover it, but if you're talking about trading with people, the standards are similar.

•(1030)

**Mr. Christopher Smillie:** CETA is largely a goods and services agreement. There's no component of labour mobility in the skilled trades in CETA. If you're looking at doing that, let's talk.

You previously asked me a question about shortages. I'm sorry, I didn't answer it.

We're going to have 200,000 retirements in the next 10 years. We're looking for young people to get involved in the skilled trades because they're all going to have shortages over the next 10 years due to economic demand and demographics, and you can't change demographics. We're looking to get more people involved. You name the trade, and there's going to be a shortage in it within a decade.

**Mr. Peter Fonseca:** When it comes to infrastructure, we're going to be spending well over \$100 billion over the next number of years. When companies come into Canada to do some of that work, where are the profits that are made from those particular projects? Are they left in Canada, or do they go offshore?

**Mr. Christopher Smillie:** If it's a foreign company that's doing a big infrastructure job, such as Union Station, for instance.... That was a partnership deal with a Canadian company, but when a foreign construction company comes and does a job in Canada, they take their money back home to where they're from.

**Mr. Peter Fonseca:** Would that be Carillion? Is that who was in charge of that one?

**Mr. Christopher Smillie:** That's a British company, I believe. They split the deal with the Canadian Construction Association, but Carillion's portion goes back to the head office of Carillion.

This is the danger with the infrastructure spend. We're going to have \$200 billion or so. How much of that is not going to stimulate the Canadian economy at all?

**The Chair:** Thank you.

That wraps up your time and today's meeting.

Thank you to all the panellists for coming. It was very good dialogue back and forth. I think everybody got their points across. If you didn't get a point across and you want to send us additional information, we welcome it.

We're going to suspend for only a few minutes. Could everybody except the MPs leave the room as quickly as possible.

*[Proceedings continue in camera]*

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