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## Standing Committee on International Trade

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EVIDENCE

**Thursday, April 26, 2012**

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**Chair**

**The Honourable Rob Merrifield**



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•(1105)

[English]

**The Chair (Hon. Rob Merrifield (Yellowhead, CPC)):** I call the meeting to order. I first want to explain to the committee that we will be working on clause by clause on Bill C-23, An Act to implement the Free Trade Agreement between Canada and the Hashemite Kingdom of Jordan, the Agreement on the Environment between Canada and the Hashemite Kingdom of Jordan and the Agreement on Labour Cooperation between Canada and the Hashemite Kingdom of Jordan. This is the bill before us that we will be dealing with.

Just prior to that we have one little order of business, which we are now ready to do. Since we have had a change in the vice-chair on the official opposition side, I would ask the clerk to rule over the election of the replacement for the vice-chair.

**The Clerk of the Committee (Mr. Paul Cardegnà):** Pursuant to Standing Order 106(2), the committee shall have two vice-chairs. One shall be from the official opposition. The other shall be from another opposition party aside from that. I'm now ready to take nominations for the position of vice-chair for the official opposition.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Don Davis I think is the man.

**The Clerk:** Mr. Cannan moves that Mr. Davies be nominated for vice-chair. Are there any other nominations for the position of vice-chair? Is it the pleasure of the committee to adopt the motion?

(Motion agreed to)

**Some hon. members:** Hear, hear!

**The Chair:** Congratulations, Mr. Davies.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Thank you, and thanks to my nominator.

[Translation]

**Mr. Ron Cannan:** It was my pleasure.

[English]

**The Chair:** We are here as a very cooperative committee of the House of Commons to humbly serve the electorate, and to do it collectively together in a very cooperative way. With that, let's move on to the clause by clause of the piece of legislation.

The first clause we would like to stand, which is clause 1, and postpone it until the end. We will be moving on to clause 2. This is what I would propose. We have some proposed amendments, but we can go through them very quickly if we can group the ones to which

there is no opposition or no amendments. So I will be asking for your approval of clause 2 through clause 6.

Go ahead, Mr. Easter.

**Hon. Wayne Easter (Malpeque, Lib.):** In general on the agreement, at least where I'm coming from, I think we're basically supportive of the agreement. But we are concerned about the labour rights and working conditions side. I don't have a problem with any specific clauses, but I do have a very serious concern with the discrepancy between the evidence from the ambassador of Jordan and what some of the representatives from some of the labour groups have said. If we approve this legislation, I'm just wondering how the government is going to profile the issue—I don't know the right word to use here—or put more pressure on the companies so that these kinds of conditions don't continue to take place.

In evidence on March 29, Mr. Kernaghan of the Institute for Global Labour and Human Rights said, "The workers have no rights whatsoever. It's a real sweatshop. Workers are housed in primitive dormitories. The Chinese workers and Bangladeshi workers have no voice. In the dormitories during wintertime, there is not sufficient heat". And on and on it goes. That was in the Rich Pine factory. Then, there was other evidence that came forward about rapes and abuses of workers at another plant.

I wonder if the officials or the parliamentary secretary can tell us how, in a high-profile way, those kinds of conditions are going to be either eliminated or reduced. There has to be pressure put on here somewhere. I'm not one who believes that not entering a trade agreement will make things better. I think if you enter a trade agreement and open up that economic relationship you have a better ability to put pressure on a country to improve conditions. But if officials or someone at least could give us an overall sense how this might be addressed, then we'd be more amenable to this legislation.

**The Chair:** On that, I'm remiss in not introducing our officials who are here to help us through this piece of legislation. We have Marvin Hildebrand, Pierre Bouchard, as well as Ton Zuijdwijk.

Thank you for being here. The floor is yours if you want to take a stab at an answer to that. If not, we'd ask our parliamentary secretary to respond.

Go ahead.

**Mr. Marvin Hildebrand (Director General, Trade Negotiations Bureau, Department of Foreign Affairs and International Trade):** Mr. Chairman, thank you for the welcome.

I would respond only by referring to the labour provisions in the FTA, and the labour side agreement in particular, which do introduce a number of checks and balances and obligations on the part of both parties. It would certainly be possible for my colleague from HRSDC to cite or highlight some of those, if that would be helpful. That represents the part of the agreement that's relevant to the question at hand.

**The Chair:** Does that...?

**Hon. Wayne Easter:** I have a follow-up question to that, Mr. Chair.

The difficulty is that the U.S., as has been made clear, has had an FTA with Jordan for almost 10 years. They will admit that there have been some improvements made.

One of the concerns I have, and always have had, on many of the trade agreements is that capital, for whatever reason, is protected to the utmost extent possible, but the human beings who are doing the work in any location are not protected to the same extent. So we've had the FTA with the U.S., with U.S. monitoring and so on, but these conditions still exist.

Mr. Chair, I think of all the testimony I've heard in some 17 or 18 years around this place, and I have never heard as striking or as scary a testimony as we heard about the rape and abuse of workers. It just shouldn't be the case. The conditions are not improving fast enough. Is the Government of Canada willing, along with the United States and Jordan, to sit down and say that these conditions have to be addressed, that there have to be better on-site monitors than there are, or whatever?

This is just absolutely unacceptable, and I don't appreciate the fact that the ambassador of Jordan basically said that this wasn't happening. He didn't say everything was perfect, I'll give him that. But this kind of abuse that was named is atrocious. It just shouldn't happen in 2012 anywhere in the world where we have trading relationships.

•(1110)

**The Chair:** You're referencing a piece of testimony that was very dramatic. It was rather specific as well, as I recall.

I have Mr. Shory and Mr. Keddy. I don't know who was first.

Mr. Keddy, go ahead.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Thank you, Mr. Chairman.

Welcome to our witnesses.

Maybe we can move this on a bit more quickly. I don't think, Mr. Easter, any of us took the testimony that we heard here lightly. It was quite damning and shocking testimony. I'm in no way, shape, or form trying to justify that. But I do believe sincerely that rules-based trading leads to a different respect for the law, and with that comes an enhanced appreciation and respect. We have labour side agreements, we have basic human rights in here, including the abolition of child labour. We have an agreement on the environment. I think that entire package leads to a different respect and a different appreciation of the human rights challenges that they're facing.

And we have to look at the nation itself, going from an absolute monarchy, which it still is, to a moderate Arab state in a part of the world that we need to have a presence in.

So no, the situation is not perfect, and I don't think that any of us think it is. But I believe that it's a combination of all the parts that will lead to a greater respect for human rights, a greater respect for labour rights, and a greater respect for the rule of law, quite frankly, and hopefully the beginnings of democratic institutions.

It is a challenge, but it's not as simple as saying yea or nay. We can debate this all day; I think we need to get on to the bill. I don't know if there's anything I can say on behalf of the government that will reassure you. I think we must have some faith in Jordan and the direction that Jordan has been headed in, however slow that is.

**The Chair:** Just to wrap this up, is there anything further for the department? If not, we'll move on.

**Hon. Wayne Easter:** I have a question for the legislative clerk or the clerk, Mr. Chair.

I understand that the Senate, when it passes legislation, can send the legislation back with some instructions, right? We can't do that in the House of Commons. We can only say yea or nay on legislation. What I'm asking is whether there is any way under parliamentary procedure that this committee could pass this legislation, but append an instruction to it that we expect Jordan and the companies therein to pull up their socks when it comes to human rights.

Is there any way at the House of Commons level, under parliamentary procedure, that we can lay out such instructions?

•(1115)

**The Chair:** I actually just checked with counsel here with regard to that. You're right: we can't attach anything to legislation, as far as a direction is concerned. The Senate can. So perhaps that's something that you can take up with Senate colleagues to address at the appropriate time, if you wish.

**Mr. Don Davies:** Thank you, Mr. Chairman. I have two questions for our departmental officials.

Thank you for being with us today.

Clause 4 says:

For greater certainty, nothing in this Act or the Agreement applies to natural surface or ground water in liquid, gaseous or solid state.

I'm wondering if you could give me as succinct as possible an explanation of why that's in the agreement and what the meaning of it is. What is the purpose of that clause?

**Mr. Ton Zijldwijk (General Counsel, Market Access and Trade Remedies Law Division, Department of Foreign Affairs and International Trade):** This is a standard clause that we've had in all of our implementing bills for FTAs ever since NAFTA.

It simply makes it clear that water in its natural state—we're not talking about bottled water—is not a commodity that can be traded or benefit from the provisions in the free trade agreement.

**The Chair:** Go ahead.

**Mr. Don Davies:** Thank you, Mr. Chairman.

Just to follow up, I take it that would make it clear that bulk water is not exportable.

**My second question is if you could give us a brief explanation of clause 5, where it says:** nothing in this Act, by specific mention or omission, is to be construed to affect in any manner the right of Parliament to enact legislation to implement any provision of the Agreement or a related agreement..

Can you tell me briefly what the purpose of that clause is? I would take that as a given.

**Mr. Ton Zijldwijk:** This bill is not supposed to prevent Parliament from enacting further legislation in the future.

**Mr. Don Davies:** If that clause were not in the bill, I still would have taken it as a given that you don't need a specific clause in legislation to say that Parliament is not bound by—

**Mr. Ton Zijldwijk:** That is why it says “For greater certainty”.

**Mr. Don Davies:** Okay. Thank you.

Thank you, Mr. Chairman.

**The Chair:** Thank you.

I think we can go back now to....

Oh, I'm sorry. Ron.

**Mr. Ron Cannan:** Thanks, Mr. Chair.

Mr. Easter made some good points. I think everyone around the table agrees and is concerned about the human rights issue.

That is an issue, Mr. Hildebrand, that maybe you could clarify. With the agreements that are in place, there is follow-up. It's not just left alone, but there is ongoing review. The department doesn't just sign the agreement and let the process lie and the results unfold as they may.

**Mr. Marvin Hildebrand:** With respect to—?

**Mr. Ron Cannan:** Labour agreements.

**Mr. Marvin Hildebrand:** Okay. Let me refer that to Pierre Bouchard.

**Mr. Pierre Bouchard (Director, Bilateral and Regional Labour Affairs, Department of Human Resources and Skills Development):** Thank you.

**On your specific question on the follow-up in the agreement on labour cooperation, the side agreement, article 7.5 says:** The Council shall review the operation and effectiveness of the Agreement, including the degree to which progress has been made in implementing the objectives of this Agreement, within five years after the date of entry into force of the Agreement.

Within the first year there's an obligation to have a ministerial council meeting to start the formal relationship, if you wish, and thereafter as necessary. Ministers would meet regularly, but then there's also an obligation to review the operation of the agreement.

As well, I would point out that with the implementation of the agreement, the way we ensure that the other side respects the obligation is through two main mechanisms. One, is cooperation.

Even before the agreement was in force, we had already committed or spent \$1.2 million in technical assistance in Jordan, which was almost entirely directed at the issue of migrant workers. We work especially with the ILO's Better Work program in Jordan, which has indicators. The government is one of the first governments that has committed to having all manufacturing businesses in the textile sector in Jordan be part of the Better Work program. This is active monitoring done by the ILO, which we co-fund as well with the U.S. and the participation of the Jordanian government. There is some measurement there.

As well, there is the dispute settlement mechanism. If any Canadian organization believes Jordan is not in compliance with its obligations under the agreement, it can raise compliance issues about the government's respect for international labour rights and enforcement of its own laws.

This agreement is the most extensive and robust agreement that Jordan has signed with any country. This is not a criticism of the U.S. The U.S. agreement was signed in 2000 and doesn't include rights of non-discrimination or rights that would affect the particular situation of migrant workers. Our agreement does. Canadians would be able to use these procedures to ensure respect for labour rights.

● (1120)

**The Chair:** Thank you very much. That goes a long way to answering a lot of the concerns I think all of us have and that Mr. Easter brought forward.

We're going to move forward.

**Mr. Don Davies:** Can I ask another one?

**The Chair:** Very quickly.

**Mr. Don Davies:** Thanks, Mr. Chairman.

Mr. Bouchard, following up on that, would the program you described as a monitoring agreement cover the qualified industrial zones?

**Mr. Pierre Bouchard:** Absolutely, both through the Better Work program and the other separate ILO projects that cover qualified industrial zones.

**The Chair:** Very good. I think that gives us all a little more comfort.

I will put it to the committee now. Shall clause...?

Oh, Mr. Easter.

**Hon. Wayne Easter:** I have one further question on that.

In terms of all this monitoring that you've outlined, that's all well and good, but is there anything in terms of enforcement? If you run into some situations similar to those that have been tabled with us in evidence before the committee, with all the new monitoring agreements and so on in this FTA, what can be done in the areas of enforcement to correct the situation when something is found? Or is that just clearly the responsibility of the Jordanian government?

**Mr. Pierre Bouchard:** Under the agreement, the Canadian government itself, if it has concerns about the enforcement of labour laws in Jordan, can initiate consultations with the Jordanian government that will force a process that can lead all the way to a ministerial consultation and review panel, and the imposition of penalties if there's no resolution of the matter. That's one way of doing it.

Canadians as well, if they have concerns, can use the same process. It basically prompts government to start this process.

So you have these two mechanisms that may help with enforcement.

**Hon. Wayne Easter:** Thank you.

**The Chair:** Thank you.

We're ready to proceed now. I will call the question on clauses 2 to 6. Shall they carry?

(Clauses 2 to 6 inclusive agreed to)

(On clause 7—*Purpose*)

**The Chair:** Before we go on to clauses 7 to 11, we have amendment NDP-1.

Would you like to speak to it?

**Mr. Don Davies:** Thank you, Mr. Chairman.

I have some comments. I also have a question for the departmental officials. Maybe I'll start with the question and then give my remarks to introduce the purpose of our amendment.

In clause 7, the purpose section of the act, it says:

The purpose of this Act is to implement the Agreement and the related agreements, the objectives of which, as elaborated more specifically through their provisions, are to (a) establish

Then it goes on.

Is the itemization of purposes in paragraphs (a) through (f) mirroring exactly the objectives that are in the agreement or the related agreements, or are these characterizations of the concepts that are in the agreements?

• (1125)

**The Chair:** Please go ahead, Mr. Zuijdwijk.

**Mr. Ton Zuijdwijk:** In this bill, since the agreement as such did not have an articulated list of objectives, this provision is, in your words, a characterization.

**Mr. Don Davies:** Mr. Chairman, I'll try to be brief.

The first amendment of four that the official opposition is proposing has to do with something that I hope all members around this committee can support. It amends clause 7 by replacing line 8 on page 3. That clause describes one of the objectives

as: protect, enhance and enforce basic workers' rights, strengthen cooperation on labour matters and build on the respective international commitments of Canada and the Hashemite Kingdom of Jordan on labour matters;

The amendment would, after "workers' rights", particularize the right to collective bargaining.

One could argue that this is implicit in the phrase "protect, enhance and enforce basic workers' rights", because in my view, basic workers' rights would include freedom of association. So I don't view this as being inconsistent with the purposes as they're described.

Given the evidence we heard, while there may be some progress in Jordan on the extension of labour rights, I'm advised, and my review of the testimony has indicated, that there still are concerns about the ability of workers to choose a trade union of their choice, particularly in the qualified industrial zones. The testimony was quite clear that while, for the first time, those workers may be extended the right to form a trade union, they cannot choose a trade union. Their right to express unionization would be limited to one of the established trade unions as indicated by the state.

I hope I'm speaking for all of my colleagues from all sides of the House here that we agree that the right to collective bargaining should be a core principle that we all support. We have that principle established in our own country. By adding those words we can reflect the importance with which we hold the access to collective bargaining, as well as strengthen this clause by particularizing that. I think it's consistent with the evidence we heard.

I would ask that all members of the committee support this amendment.

**The Chair:** We're talking about amendment NDP-1. Is there any other discussion on this?

Mr. Cannan.

**Mr. Ron Cannan:** Just for clarification, Mr. Bouchard, looking at the labour agreement, isn't freedom of association assumed within the labour agreement?

**Mr. Pierre Bouchard:** Yes, absolutely. It is one of the fundamental rights that's listed right at the beginning of the labour agreements.

**Mr. Ron Cannan:** Thank you.

**The Chair:** Okay.

(Amendment negated)

**The Chair:** Let's move on to amendment NDP-2.

Before we open discussion—

**A voice:** You should let him move it first.

**The Chair:** Go ahead. Are you interested in moving this one?

**Mr. Don Davies:** Yes, I will move this one, Mr. Chairman.

**The Chair:** Before we get into it, you're saying that you're going to move it, but I will be ruling it beyond the scope of the bill.

**Mr. Don Davies:** I'd just like to speak to that briefly.

**The Chair:** You can go ahead and speak to it briefly, but that's what I'll be doing.

**Mr. Don Davies:** Thank you, Mr. Chairman.

While we're talking about the purposes of the bill, what the NDP would like to do is add a paragraph 7 (g), which would say that a purpose of this agreement should be to: enhance and enforce laws with the goal of eliminating human trafficking and forced labour in Jordan.

The reason I'm going to pursue this, with due respect to your indication that you will rule it out of order, is related to my initial question to the officials. These purposes listed here are not the purposes indicated verbatim in the original agreement. These are characterizations of the purposes that could be extracted from the agreement itself.

• (1130)

**The Chair:** I won't allow you to go on too much longer on this. You've made your point, and I've made mine. If you could just wrap it up very quickly, then we'll move on.

**Mr. Don Davies:** I think it's fair to say that our government has prioritized and invested a lot of political capital in indicating their wish to have a strong position against human trafficking, and I give them credit for that.

We have heard evidence at this committee that this phenomenon is happening in Jordan, and indeed with forced labour as well, and I credit all of my colleagues around this table for being opposed to that. We heard strong evidence that passports are taken from people in Jordan. They're forced to work and are essentially trapped because of that.

So I don't see why this would be inconsistent: it's consistent with the agreement itself and consistent with government policy. So I don't see how this is out of order. We already have the goal of protecting, enhancing, and enforcing basic workers' rights. The right to not be trafficked or be subject to forced labour has to be consistent with basic workers' rights. So I don't see how this could be inconsistent with either the bill or the agreement.

**The Chair:** Thank you.

I'm not going to allow any more discussion on it. I allowed the mover to explain his position on this. I will be ruling it out of order, and that'll be the end of the discussion.

If you want to challenge the chair on it, go ahead and we'll put it to a vote. But I'm telling you what I'm ruling.

**Hon. Wayne Easter:** Fine, but I want to know your reasons for ruling it out of order, or I am going to challenge the chair.

**The Chair:** I will explain the reasons that I'm calling it out of order. I was just about to do that before I was interrupted.

I'm calling it out of order not because of its intent or where it's going, but because it adds another objective to this agreement that was not set out in the agreement initially. It adds something to an agreement that was not there; therefore, it goes beyond the scope of what we're dealing with now. The intent of it can be argued, but technically it's adding another concept at this stage of the game to the bill, and that's why I'm ruling it out of order.

**Hon. Wayne Easter:** Maybe this question is to the parliamentary secretary or the officials. Just because the government in its negotiations with Jordan has come up with a basic agreement, are

you suggesting in your ruling that this committee cannot go in any respect beyond where the discussions were?

**The Chair:** I'm going to close debate on this part now. We can debate a clause that's in order, but when it's ruled out of order it closes debate on it. I was gracious enough to allow the mover some discussion of it. I am not going to extend that to any other member of the committee. I'm moving on. I've given you an explanation, and you can accept it or reject it.

**Hon. Wayne Easter:** I'm asking, Mr. Chair, but not on this point. I am going to challenge the chair, because we need to know as a committee what our rights are.

**The Chair:** The chair has been challenged on the ruling. Shall the ruling of the chair be sustained?

It's not debatable.

(Ruling of the chair sustained)

**The Chair:** Shall clause 7 carry?

**Hon. Wayne Easter:** We need some clarification so we know what our rights are as a committee. You made the previous ruling and that's fine.

• (1135)

**The Chair:** That's right.

**Hon. Wayne Easter:** But when the government negotiates some kind of an agreement with any country—it doesn't need to be Jordan, as in this particular case—what are our rights as a committee in amending it? Can we not be at all off the script or the draft agreement that's been agreed to between the government and, in this case, Jordan?

We need to know that. If the government is just coming before this committee with a fait accompli and we have no say, then why the hell are we here?

**The Chair:** Okay, let me just answer that. You're actually going back to the previous ruling, which I told you that I'm not going to revisit. I will say this to you: This has nothing to do with the government. This has to do with the chair's ruling on the technical aspect of adding something to a bill that was not negotiated before the committee at a clause-by-clause stage. That's where we're at with this one.

We'll move on now to the actual clause 7, as unamended.

Shall it carry?

Those opposed?

(Clause 7 agreed to)

**The Chair:** Now, let's move on to clauses 8 through 11.

Shall clauses 8 through 11 carry?

Opposed?

**Hon. Wayne Easter:** We need time to read them.

**The Chair:** Yes.

The reason I'm doing it in a grouping is that there are no amendments to those.

**Mr. Don Davies:** Yes, that's fine. Just give us one minute.

**The Chair:** Shall clauses 8 through 11 carry? All in favour?

Opposed?

(Clauses 8 to 11 inclusive agreed to)

(On clause 12—*Powers of Minister*)

**The Chair:** Now, Mr. Easter, you have an amendment, Liberal amendment 1. Would you like to move it?

**Hon. Wayne Easter:** Yes, so moved, Mr. Chair.

**The Chair:** Do you want to speak to it?

**Hon. Wayne Easter:** The reasons were basically what I said at the beginning, Mr. Chair. I do think there was some pretty grievous testimony made before this committee. Basically what the amendment does is to instruct the minister to consult with independent experts on human rights, etc. I'll not go through the whole amendment in order to save time, but I think the most important part of it is this:

within six months after this Act comes into force, [the minister shall] cause to be laid before each House of Parliament a report on that assessment that includes the findings and recommendations of those experts and organizations or, if that House is not then sitting, on any of the first five days next thereafter that that House is sitting.

The reason for it, as I said in my earlier remarks, is that I felt we are not allowed in the House to give instructions. I think there are very serious issues happening in Jordan relative to working conditions and in fact in human rights. What this amendment would basically do is to cause the minister to use experts to look at that situation, assess that situation, and report it back to Parliament. I think in that way, being that we're not allowed to give instructions, it would put some pressure, through this agreement, on Jordan itself to ensure that working conditions were in fact improving. It's a roundabout way of getting around the fact that we can't add instructions, to be brutally honest about it.

But I think it also would show that this committee had heard testimony that it's concerned about and, therefore, this committee in reporting back to the House the legislation wants monitoring of the situation so that we can see whether progress is being made or not.

• (1140)

**The Chair:** I think the intent is clear. Does any other committee member want to speak to this? I'll put the question, shall Liberal amendment 1 carry? All in favour?

Opposed?

(Amendment negatived)

**The Chair:** Now we move to NDP amendment 3.

Mr. Davies, do you want to speak to it?

**Mr. Don Davies:** Yes. Thank you, Mr. Chairman.

Mr. Chair, I think it's fair to say this is one of the most important amendments of the four that we've put forward.

I didn't have the pleasure of sitting through all of the evidence, but I did hear enough of the respective parties' positions to notice a couple of key things.

One key thing is that there seems to me to be a very honest and legitimate difference of perspective on how best to elevate labour and environmental standards and human rights in countries through the trade process. Those positions are sincerely and legitimately held.

If I can paraphrase what I heard the government's position to be, it is that by engaging in trade agreements with countries and having agreements.... Here, I would add that whether they're side agreements or in the main body is a different issue. Nevertheless, there are agreements on labour and human rights and environmental standards and the government's position is that trade agreements are one way of engaging a country and will result in improvements in those situations over time. I think that's a fair position to take.

I heard Mr. Keddy—I think it was him—give some anecdotal evidence of his experience in Colombia and his feeling, which I've heard expressed by the government on many occasions, that engaging in trade does have that effect. On the other hand, we also heard from several witnesses that, from their point of view, there is a lack of credible evidence suggesting that trade agreements, even with these kinds of agreements, have that effect, given the way that bilateral agreements generally are structured. In their view, without more robust enforcement mechanisms, etc., these trade deals do not have that impact. And I think that position is legitimately and sincerely held.

The purpose of this amendment is to try to begin the process, in a good faith manner, of acquiring the kind of evidence that would help all parties in our Parliament assess those perspectives. I say this because I do think that everybody has the same objective: my colleagues on the government and on the opposition side all want labour, human rights, and environmental standards to be elevated in countries like Jordan, as we do in our own country.

That being the case, this amendment does a number of things. Essentially, it would simply require the minister, within 60 days after the act comes into force, to consult with independent experts on human rights and the environment—and we specify that human rights include labour rights—with a view to preparing what I'm going to refer to as a baseline report, so we can get a snapshot of the labour, human rights, and environmental standards in Jordan as they exist now so that we will have a benchmark from which to measure. Then, in each of the next three years, there would need to be a report done on the progress or not of Jordan—and hopefully it's progress—in those three key areas.

Those reports would be placed before both houses of Parliament, and they would give parliamentarians, both in the Senate and the House of Commons, data to track and monitor what we all claim are the results of our trade philosophy and trade policy. It's really doing nothing more than trying to codify and organize some actual data to chart what we all say and hope are some of the effects of this agreement.



Mr. Keddy, in some of his statements today, quite properly stated that he hoped that part of this agreement would “lead to a greater respect for human rights, a greater respect for labour rights....” I think we all share that. If we sign an agreement but don't have an effective way for parliamentarians to get data to monitor that, it strikes me that we're left arguing this on a philosophical or theoretical basis for each agreement, and it would be nice for everybody to have some data.

• (1145)

I also think that if Canada is to exert influence towards improving the workers' rights in the environmental field, we need to signal this clearly and have an evidence-based way of assessing whether or not changes are taking place.

I think that's also an important signal to our trading partners, that we not only sign an agreement and assert these points diplomatically and at the trade table, but we also back that up with monitoring agreements.

I won't talk about my final amendment, which, I will argue, puts some teeth into this proposal, but I will say that they're linked in the sense that before we can assess the efficacy and success of a trade agreement, we need to acquire independent data that we can use to come to a credible and defensible position.

Thanks, Mr. Chairman.

**The Chair:** Okay.

Does anyone...? I think the motion is fairly clear.

Mr. Easter.

**Hon. Wayne Easter:** Mr. Chair, it's somewhat similar to the motion that was defeated but a little more inclusive, and I very much support it.

I actually can't imagine how government members could vote against this particular amendment, given the evidence that we've heard. It's simple. The Government of Canada has negotiated an agreement. We're not in any way changing that agreement by the addition of these paragraphs from the amendment. But what we are saying, as a committee and as a Parliament, if it passes Parliament, is that given the evidence we have heard, including the contradictory evidence from the ambassador of Jordan versus what people on the ground working in Jordan have said, Parliament itself has concerns about both the environment and the labour issues in Jordan. So we are inserting into the legislation a process where evidence-based monitoring can be done.

That's to the government's advantage, Mr. Chair. I just cannot understand how members would vote against this. This actually would help the government in doing what it claims it wants to do, which is to ensure that environmental protection is there and ensure that labour rights are in fact protected, as I said earlier.

As witnesses before this committee have told us, in all of our trade agreements capital is protected to the nth degree. The environment and labour are always in side agreements, and so are not subject to the enforceability or the immediate action that can be taken, as it is, in protecting capital.

So this just makes absolute sense.

I have a last point that I would make. I'm sure the government members are getting calls—we certainly are in the opposition parties—from environmental groups and labour groups that are concerned that we would go into this agreement knowing the conditions that exist on both. This, I think, would give them certainty that the government means what it says on moving forward on the environment and labour.

So I just encourage government members to stand up for what we heard in evidence and put some pressure, through this trade agreement, on areas that we're concerned about relative to the trade agreement and what's happening on the ground in Jordan.

• (1150)

**The Chair:** Okay. I think we have a fairly clear snapshot.

Mr. Davies, and then, Mr. Keddy, you'll have a couple of minutes.

**Mr. Don Davies:** Thank you, Mr. Chairman.

I just have a couple of additional points. I can speak from my own perspective. I bring a perspective, in my new critic's role, of being very supportive of trade. I want to find a way to support this particular trade deal because I think there are some commendable things in it. The structure of this deal does follow quite a similar template to others that we have opposed in the past, but I think there are some improvements. There's no intellectual property in this. There are no investor-state provisions in this.

I think we have heard some mixed testimony about progress on labour rights in Jordan. We heard some pretty disturbing testimony from some of the witnesses, which I don't need to belabour here, that obviously shows there's work to be done in Jordan. But we also heard that there have been a number of minimum wage increases in Jordan, including two that have happened, and one that's slated for next year.

Really, in a good faith attempt to have our Parliament work towards getting a trade template for our country that we can all get behind, I'm prepared to approach this with an open mind and say that maybe the government is right. Maybe the government is right that by engaging in trade agreements that deal with labour and human rights, and with the kinds of monitoring and penalty provisions and ministerial consultation processes involved, which do add some teeth to these, labour rights are improved. Maybe it is effective.

This amendment does no more than ask all of us to put our money where our mouths are and actually collect the data that would support what we claim to be are the motives.

I also just want to say two quick things. One is that I think it's really important that these reports be prepared with the input of independent experts, to guard against the politicization of this. I think we're all interested in having as accurate a snapshot as possible of what actually are the results of our trade deals. I have no problem in saying that if this amendment is accepted, along with the sunset clause amendment, it would give some teeth to this deal, and the official opposition would support this deal as it's structured.

**The Chair:** Mr. Keddy.

**Mr. Gerald Keddy:** Thank you, Mr. Chairman.

I appreciate what Mr. Davies and Mr. Easter are trying to do here, but what they're not explaining is what clause 12 really does. Through the appropriate ministers, the Minister of the Environment, the Minister of Labour, the Minister of International Trade, there is the ability now to have evidence-based monitoring of this trade agreement. That's not something we have to add to it; the ability is already there.

The reason we heard testimony from independent organizations that have been to Jordan is that there has been increased independent monitoring going on in Jordan today. We're not trying to say that it's a perfect situation at all, but this certainly allows for what you're asking. There already is a record, through the International Labour Organization, the ILO, and other organizations that have been working with Jordan, which has brought some of these stories on some of these conditions out. And there has been some sworn testimony here at committee about where those conditions have improved because of their monitoring of those particular situations.

I think that point needs to be put on the record, that's all, Mr. Chair.

**The Chair:** I think it's very clear. We'll put the question.

**Hon. Wayne Easter:** I'd like a recorded vote, Mr. Chair.

**The Chair:** Okay, you want a recorded vote.

(Amendment negated: nays 6; yeas 5)

(Clause 12 agreed to)

**The Chair:** Now we have a grouping. We can actually go from clauses 13 through to 43 as one block. There are no amendments until we get to clause 44, I believe. After clause 43 there is a new clause proposed by way of amendment.

(Clauses 13 to 43 inclusive agreed to)

**The Chair:** Now we have amendment NDP-4.

Mr. Davies, the floor is yours.

• (1155)

**Mr. Don Davies:** Thank you, Mr. Chairman.

Well, I'm zero for three, so if I were a betting man.... It's like the Canucks, but I can't get into that.

**An hon. member:** Don't go there.

**Mr. Don Davies:** No, the pain is still too immediate.

Mr. Chairman, in light of the previous votes, I'll be brief and explain the nub of this amendment. The NDP suggests that there be a sunset clause whereby the act would automatically dissolve at the end of a three-year period unless both Houses of Parliament passed a resolution to continue it.

Now, this is a stand-alone amendment, but it also was intrinsically linked to the NDP's proposal that we have an independent reporting process that would take a baseline human rights, labour, and environmental snapshot, and then involve monitoring over the next three years. That would give parliamentarians in both Houses the data that I think we would need to basically evaluate the result of our work here.

I would point out that Mr. Keddy may be correct in that there may be some monitoring provisions built into the agreement, but those monitoring agreements really occur at the government-to-government level and at the monitoring level. That's a fair point, but the purpose of the scheme that the NDP has put forward would allow that monitoring to be done independently and be put back before parliamentarians and this very committee.

When we pass a bill and do the kind of in-depth work that we're doing in listening to the testimony and doing this clause-by-clause consideration of the bill, I think it's our responsibility as parliamentarians to have that information come back to us to inform us whether or not our objectives in passing this act are in fact being met.

The sunset clause is part of that. It would put teeth into the Canadian commitment to defend workers' rights and the environmental progress that I think we all want.

Now, as for the signing of the free trade agreement between the U.S. and Jordan 10 years ago, the evidence before this committee established that it did not propel the promised changes in workers' rights. It has brought media attention and political pressure, and we believe that this has helped propel some areas of improvement. So we think Canada should be learning from that experience of the United States and should be using some different mechanisms that may also act as pressure points on Jordan, to help it realize how seriously Canada takes the improvement of workers' human and environmental rights as we link them to trade.

I think it's fair to say as well, and I give the government credit on this, that the fact the agreement addressed labour, environmental, and human rights signals to Jordan that these issues are of importance to the Canadian government and Canadian people. But without having some sort of explicit escape clause, some sort of term, some sort of ability to review this act, I think the teeth are not really there to signal to Jordan that we're serious about improvement—and not improvement over decades but starting immediately and in the short term. We think three years is a good enough time to determine if Jordan does in fact make progress in those three key areas.

I would also point out that this agreement can be extended simply by a resolution in the House of Commons, and by the Senate, so it retains democratic and parliamentary control over this agreement. I would argue that this is the kind of creative and effective improvement to our trade agreements that would actually improve their efficacy and also make them more accountable in reaching what we all agree are their objectives.

• (1200)

I'll conclude by saying, Mr. Chairman, that if we believe that signing these agreements with countries like Jordan improves labour and human rights, and environmental standards—and that's what we're hearing—and if we say, as the government does, that engaging in trade with these countries is the way to do that, then having an effective mechanism to keep pressure on the country with whom we are trading to meet those very objectives, at the risk of having that preferential trade status revoked, is nothing more than having the courage of our convictions. It is smart bargaining. It's effective bargaining.

In the corporate sector, in the commercial sector, nobody would ever sign an agreement that was open-ended. There are terms for the end of contracts, which put the prospect of renegotiation on the table. They keep parties motivated, because they're invested in the objectives of the deal, and there's a risk of having the deal cancelled if the objectives are not met. When we sign an open-ended trade agreement that doesn't have that standard in it, it's less effective as a result.

Once again, I would think it's prudent and smart commercial practice. It's smart and effective governmental and parliamentary action to have a review mechanism in this agreement and an ability to have a snapshot of this after a certain reasonable period of time, and to cancel it if the objectives are not being met.

Thanks, Mr. Chairman.

**The Chair:** Nobody could argue that it's not a creative amendment.

Mr. Holder.

**Mr. Ed Holder (London West, CPC):** Thank you, Chair.

I have great regard for the new vice-chair from the party opposite, but I could never imagine a clause that I could so totally disagree with. The context is so ideological.

I just heard my friend opposite talk about and actually recognize the government's acknowledgement of labour and human rights and the environment, and then he put this kind of condition on the relationship.

I've never been aware of any trade agreement that had this kind of confining clause in it. Imagine that you've put something in place, and three years from now, you have the potential to rip it up. That is bizarre to me. I say this as a business guy. I couldn't imagine this kind of restriction, because it really puts into question, frankly, all that goes into an agreement. It is rather interesting. It takes so long for all of us to get any agreement in place. What a way to tie the hands of all.

Respectfully, I won't support the amendment, because it is antithetical to what we are trying to accomplish. Trade agreements, by their nature, are longer term in view. It's not like having a contract with a supplier that you're going to review in 24 months, or in this case, 36 months. This is longer term. It requires a longer view. The longer-term opportunities will be significant for both Jordan, I sincerely believe, and Canada—or why else would we do this?

Respectfully, to my friend opposite, I cannot support the amendment.

**The Chair:** Mr. Easter.

**Hon. Wayne Easter:** Mr. Chair, I have some concerns about the amendment. I have a question for the mover and also a question for the witnesses.

The difficulty with this amendment and the previous rejection of stronger measures to monitor labour and the environment is a huge disappointment in terms of where we're at on this legislation.

From a business perspective, trade agreements assure businesses that they can get into a relationship in a foreign country, which is

sometimes very difficult to do, and make the investment and so on. The trade agreement is there basically to give your business some protection in doing business over the long term.

I would ask the mover of the amendment how he would respond to that. It could jeopardize the ability of business, because the certainty isn't there to make investments.

I also have a question for the witnesses. What provisions are in this agreement, or indeed, in the legislation, that would allow Canada to withdraw from the agreement? And what would be the cost to Canada of doing so?

• (1205)

**The Chair:** Mr. Davies, be very quick.

**Mr. Don Davies:** Thank you.

I just want to say that I have reciprocal and great regard for Mr. Holder as well. But I think he said he wasn't aware of any trade agreement that had the potential to be ended. I would point out that the free trade agreement signed with the United States can be cancelled on six months' notice. That's unilateral. There is no need for agreement by the United States. So it is absolutely normative in trade agreements to have a provision to leave them.

Perhaps I would be open to entertaining an even longer period of time—maybe it should be five years. But the purpose of this is to create an incentive for Jordan to meet the objectives that we're asking it to meet. If the Jordanian government does meet the objectives we've all set out, there is no doubt that the House would support this.

I would also point out that one of the reasons I picked three years was that it would still be within the term of this present government. It actually gives a tool to the present government to reassess the progress and simply reaffirm the commitment in the Senate and the House of Commons, where it enjoys a majority as well. It was simply a means of giving some teeth to the objectives.

**The Chair:** Very good.

There was a question directed to the witnesses.

Do you have an answer on that? Go ahead.

**Mr. Ton Zijldwijk:** I think Mr. Davies has already answered the question. Article 16-5 of the free trade agreement with Jordan provides that: This Agreement shall remain in force unless terminated by either Party by written notification to the other Party. This Agreement shall terminate six months after the date of such notification.

So either side can give six months' notice of termination in writing. That will terminate the agreement.

**The Chair:** Very good.

**Hon. Wayne Easter:** Are there any penalties for doing so?

**Mr. Ton Zijldwijk:** There is no such further provision in the agreement. I will not speculate about the commercial implications.

**The Chair:** Fair enough.

(Amendment negated)

(Clauses 44 to 46 inclusive agreed to)

**The Chair:** Shall schedules 1 through 5 carry?

**Some hon. members:** Agreed.

**The Chair:** Shall the short title carry?

**Some hon. members:** Agreed.

• (1210)

**Hon. Wayne Easter:** There's no fancy name for this one, like "fighting crime"?

**The Chair:** Shall the title carry?

**Some hon. members:** Agreed.

**The Chair:** Shall the bill carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Chair:** Shall the chair report the bill to the House?

**Some hon. members:** Agreed.

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

There is something else I would like to talk to the committee about in camera. It's with regard to potential travel. I will give you further information, if that's all right.

*[Proceedings continue in camera]*

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