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—
Chair

The Honourable Mark Eyking

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• (1100)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)): Good morning, everybody.

We have a couple of things on our agenda today. We want to deal with a couple of motions first, and then we're going to deal with Mercosur. Then we're going to talk about some future business that's lined up for January.

The chair has received a request from the opposition, an SO 106. Does someone from the opposition want to speak on it?

Mr. Allison.

Mr. Dean Allison (Niagara West, CPC): In light of the fact that we had a signing ceremony last week and the tariffs are still in place, it would make sense to invite the Prime Minister to come and talk to us about the plan for the removal of the tariffs. I'll just leave it at that. Is this happening in six months or eight months? Is it a year? What is the plan? Is there something we're not aware of in having the ability to have these tariffs removed? I believe this is an important issue.

Thank you.

The Chair: Thank you, Mr. Allison.

Ms. Ramsey.

Ms. Tracey Ramsey (Essex, NDP): I obviously signed my support, because I feel it's important that we get an understanding of the next steps. What are we going to do with these tariffs still in place?

It was very concerning that the ambassador said there is a 90% chance they might be removed in a year. This is too much uncertainty for all the people we heard from at our committee but also in all our ridings. I believe we need an explanation of the plan.

Some information was brought forward at the industry committee about the collection of tariffs and how much is reaching people on the ground. They are also talking about this issue over there and the fact that the money isn't flowing down, which is exactly what I think we heard from people here at the committee.

The really grave concern is about the shape we'll be in going through another year, potentially, or another six months. What is the hope? Is it that we'll ratify and that the ratification will trigger the removal? We really don't understand the plan, other than the package in place and how it's not meeting the needs of people, which we heard here pretty consistently.

I think it's very important for us to have an understanding. It's not for the trade committee. It's for all these communities, businesses and workers that are impacted. They need to know the plan, and that there is a plan going forward.

The Chair: Mr. Carrie.

Mr. Colin Carrie (Oshawa, CPC): Last week the GM closure was announced in my community. The reality is that many international companies operate in Canada, the U.S. and Mexico that, over the next short period of time, will have to make decisions on a once-in-a-generation type of investment.

One of the concerns I have is that these investments they're making now are not for five or 10 years; they are for 50 years.

Autonomous and electric vehicles are transformative in the auto industry.

With this uncertainty, perhaps we could help the government bring in stakeholders and work with the Prime Minister to come up with a plan. If this is going to be the new normal for the next little while, how do we react to it so we maintain competitiveness here in the North American bloc?

The Chair: Mr. Hoback.

Mr. Randy Hoback (Prince Albert, CPC): Mr. Chair, first of all, I'm going to support this because I think this is very important. I think we need to send a strong signal to the stakeholders that the Prime Minister cares, is listening, and has an idea of where he wants to go and what the end looks like. I haven't heard that from him at all, other than high-level talking points.

He can do lots of things on the tariff removals. As far as the regulations and the removal of Bill C-69 and Bill C-68, for example, there are things he can do that won't cost him any money and would provide stability for small and medium-sized enterprises and the different sectors that are in crisis right now.

I think he should tell Canadians what he is prepared to do. Let's face it, if he's not going to tell us in question period, then he can come to the committee and tell us. Then, if he's not going to tell us there, I'm going to ask his constituents to ask him at every meeting he goes to, and I'm going to ask your constituents to do the same. What's the plan? That's a fair question, because they need to know.

For him to duck away from this would be really bad form. It would show really badly on him as Prime Minister and the leader of our country, and on the Liberal Party and their chances for re-election anywhere outside of maybe one or two ridings.

I would strongly encourage my friends across the aisle to get behind this and let this happen, because I think it's very important.

• (1105)

The Chair: Mr. Peterson.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): I appreciate where the motion is coming from. It's clear our government is committed to removing these illegal tariffs. I don't think there's any doubt that the Prime Minister, the cabinet ministers, and in fact every member of Parliament regardless of party want these illegal tariffs removed and are working hard to do so. We are also trying to make sure that we support the affected workers and companies on the ground in all of our ridings. I think our committee did a good study of it, and we heard from a lot of stakeholders. It wasn't all good news. It was a very frank discussion. The committee was open to hearing from all of them.

I just think at this point we've got to make sure that the negotiations are going on continue. I don't see the value of bringing the Prime Minister in on short notice to sort of negotiate in public what might be happening already, but I certainly do see the need to get resolution for the government and the Prime Minister to continue working hard for the removal of these illegal tariffs. I think we're all on that page, but unfortunately, I don't think I'm going to be able to support the motion.

The Chair: Mr. Hoback.

Mr. Randy Hoback: Let's be very clear here. Tariff is only one part of this motion. It's also the signal you're sending to the small and medium-sized enterprises across Canada that you have a game plan.

You can look at regulations. You can look at a variety of red-tape things that have been addressed here. We had a lady in front of the committee here last week just to talk about how she imported a machine from Europe and couldn't use it for a year because she couldn't get it approved, yet the product that would come out of that machine was being sold on the shelves here in Canada. There are things this government could do to tackle stupidity within the bureaucracy. If the Prime Minister came and said, "Yes, we're going to do this, this and this, and we're going to make things that much more efficient"....

I understand the tariffs and negotiating with Trump is tough. It's going to be a tough thing to do, but there are a lot of things we can do outside of that here in Canada that would provide relief to these businesses and show that we're doing something to help them succeed and move forward, regardless of what happens with the tariffs. For him not to show up would look really bad.

The Chair: Ms. Ramsey.

Ms. Tracey Ramsey: I think the concern is that we don't know what's being done. When other negotiations are taking place, there's an indication, there's public reporting of the fact that the minister or the Prime Minister is going down there, that there's an effort, that there's something that's happening on the ground. It doesn't give us an insight into actual negotiations, but there is a signal of that effort. That's what we're not seeing.

I was just in Washington with the Canada-U.S. parliamentary group, and there's nothing happening down there. The embassy is saying they're not in active negotiations to remove this. What we're

looking for is an understanding of what we can do. I think we're all in agreement that we have to do something and that we all want these removed. They're illegal; they shouldn't be there. We agreed on all of those things, but we need a plan going forward.

We need a plan about the tariffs and making sure that the money that's being collected is reaching people on the ground to help sustain them. We heard quite clearly here that it's not. That's a very huge red flag of concern, because if they're not getting that support, that money's just piling up in general coffers and not helping people who are being impacted.

The other thing is, why don't we have a team on the ground in Washington right now doing exactly what we did around the renegotiation of NAFTA? This is as serious an issue, as devastating an issue as the renegotiation of NAFTA, yet we're not seeing that national attention to it. This is why the Prime Minister really needs to explain what he's doing.

We've had briefings from ministers not in public, but in camera. We're not asking to reveal our cards. We want these tariffs removed, but there doesn't seem to be any type of plan to make that happen. Whether it's the Finance minister, the Foreign Affairs minister, who also deals with the U.S., or the Prime Minister, we're not hearing about anything happening. It's concerning to me that in Washington they're not either.

There's strong support on the U.S. side. Republicans and Democrats want these tariffs taken off Canada, too. There is no space between what we want and what they want, but we need to plan to make this happen. I think that's what we're looking for and what companies, businesses and workers are looking for, too.

• (1110)

The Chair: Okay, let's keep our comments tight so we can get on to the rest of our business today. We've got another motion from Mr. Carrie on the floor.

Mr. Carrie.

Mr. Colin Carrie: Just really quickly, I went to one of the witnesses that was here, Northern Cables from Brockville, just right across from the U.S. He said they're constantly coming over trying to poach us. In other words, they're offering tax incentives on municipal taxes. This company supplies cable to everybody, such as General Motors, and even the cables in this room probably came from this company, aluminum cabling and such.

It's just the uncertain part of it. If we can show that we're all on the same team here—and I think the Prime Minister is always sending out that message—if we could show that we're sending out a strong message on this, it would be very positive to the business communities that are constantly being approached by other countries to move their businesses.

The Chair: Thank you, Mr. Carrie.

I see no more hands up. I'm going to bring this to a vote.

Ms. Tracey Ramsey: I would like a recorded vote.

(Motion negated: nays 5; yeas 4 [See *Minutes of Proceedings*])

The Chair: There is a request by Mr. Carrie to bring up the next motion that he gave notice of a few days ago.

Mr. Carrie, do you want to explain your motion, and we can deal with it?

Mr. Colin Carrie: Absolutely. I will read it into the record. I move:

Pursuant to Standing Order 108(2) that the committee immediately undertakes a study concerning the automotive industry in Canada and details of all options of the federal government's plan to defend the Canadian automotive industry, and the ability to defend Canada's competitiveness globally; that the Minister of Innovation, Science and Economic Development appear; and that the committee report its findings to the House.

I just want to start off by thanking the chair and members from all parties. We heard about the announcement at General Motors and I think everybody understands what an impact that can have. It is devastating to the people on the ground. Really it's about the workers and people who are going to be affected by this closing.

There's a big concern out there, as I was saying earlier. These are investments that these companies are going to be making soon, and these are once-in-a-generation investments. The reality is, the automotive companies are going to be building the cars of the future, the autonomous cars and electric cars. The challenge is that GM's not going to be doing that in Oshawa, and I think we have to find out why.

I talked to a colleague, and he said, "Well, you know they did close four plants in the U.S." To put this into perspective, Mr. Chair, it was 2,800 direct jobs in Oshawa. Our economy is 10 times smaller than the U.S. economy. The U.S. lost 3,600 jobs—which is important—but this would be an equivalent of 28,000 jobs in the U.S., plus the spinoff ones.

Down at the gate, there were a lot of tears and a lot of questions about the Prime Minister's plan. He said, "We're putting in these new policies so we can have these jobs of the future, and build the next generation of products here." This was an award-winning plant, and overall they just said, "Why? Why is this not being brought to this plant?"

If companies are going to be building these cars in North America, where are they building them? What are the policies that these other jurisdictions have that we don't? What can we do here to match that, because if GM is not going to be having their award-winning plant building these products into the future, then we are missing out on something. We're doing something wrong here.

I think it would really show leadership. I've been asking the Prime Minister in the House. He has promised to come up with a plan, but we're not seeing anything, and the uncertainty out there is extremely problematic.

I want to let my colleagues and everybody around here know there's hope. When they made this announcement, it wasn't that they were bulldozing the plant. What they said is they don't have allocation past 2019. In my community, back in 2008, they actually said the same thing for our consolidated line, but guess what? Because of our community's resilience and ability to work together and innovate, we were actually able to keep that line open until 2015-16, so years later.

We have to let Canadians know, especially the manufacturing sector, that we're willing to work with them. There is hope, and we need to start immediately, because the clock's ticking.

I want to thank my colleagues again for your kind words when this occurred, and I'm looking to see if we can have this motion accepted at this committee. I think if we can do something before Christmas, it would really show a little more optimism out there. There's a bit of a dark cloud hanging over my community right now, and I'd appreciate the help.

Thank you.

• (1115)

The Chair: Ms. Ramsey.

Ms. Tracey Ramsey: I want to offer my support for this motion. I think it is very important at this particular time to show defence of the Canadian automotive industry. We're talking about the future of manufacturing and auto in our country. We have the steel and aluminum tariffs, which are a direct threat to our manufacturing. We have what's happening at GM, which, unfortunately, has happened throughout the country over the life of NAFTA, largely, with jobs leaving to go to Mexico. I think it's very telling that we don't see any jobs being lost in Mexico on this announcement by GM. It's only Canada and the U.S. that will lose plants.

I think our committee often has auto people here from different groups that represent labour and the corporate side of automotive manufacturing right down to the parts. We have had the tool and die mould-makers. They are all part of this very deep supply chain throughout Ontario.

The economic impact of these types of jobs leaving is so devastating and significant. We've seen GM leave Windsor. At one point, Windsor was the automotive capital of Canada, and we've been decimated by these losses. We look at the strike they had at CAMI Automotive in Ingersoll this year, over a threat of no product going forward and removing their line to Mexico, which they were able to fight back contractually.

I believe there is a role to play for government in keeping a very strategic sector strong in our country. Certainly in trade agreements auto is often one of the top three issues, along with agriculture and others. I do think it would be very important for us to do this and talk about how we defend against the other countries that are aggressively pursuing our auto sector and attempting to drag it to a lower-wage economy.

We saw this in Malaysia when we visited as a committee. We saw how Malaysia has grown its auto sector in an attempt to grab this global market. I think ultimately, too, having the Minister of Innovation here is important because we're talking about the future of the automotive industry. We're talking about this major disruption that's going to come around autonomous vehicles. That spans a bunch of portfolios, but it certainly spans trade, and in particular those supply chains that go across the border for automotive, eight times sometimes in the life of a vehicle, and what that means to the future of an autonomous world in AI, and all the pieces that will play into that.

I want to give my strong support for this. I don't think it will come as a surprise, as a 20-year auto worker, that I think it's important we stand strong for our automotive industry.

The Chair: Mr. Hoback.

Mr. Randy Hoback: I too will support it. There are some concerns. I know Colin has Oshawa. I'm concerned when you start reading in the paper that Ford's going to restructure. There are rumours of Brampton being shut down with Chrysler.

I think we need to bring people in front of us and ask them very tough questions. Is it labour rates? Is it power rates? Is it something else? Is it municipal taxes? Is it provincial taxes? Is it federal taxes? What exactly is it that is making us unattractive to locate here in Canada?

We need to identify that and we need to be brave to address those issues. We need to look at them and say, "What does that look like? Can we do anything about that?" We need to work together, otherwise, I think we will be like Australia. We won't have an auto sector. That's where it's heading.

We can do all the innovation in the world, but if we can't capitalize on the innovation in production here in Canada, then what good is it? If we're going to do all this research and development here in Canada and then find out they are saying, "Yes, great. Thank you, university"—whichever university is involved—"we are going to take it now and go to Detroit." That is problematic. That is not what Canadians are expecting from us.

I think it's good for us to have a review once in a while, and look at things, and say what's right and what's wrong. I think we should be very bold. I think the workers need to understand that we are being bold, and we're not sitting back here just letting it happen. We're actually fighting for them. If this committee doesn't fight for them, who will? The Americans aren't fighting for them. The Mexicans aren't fighting for them. We have to fight for them, so let's fight for them.

Let's know the facts. That means, as I said, bringing in GM, Ford, Chrysler, Honda; bring in the union bosses; bring in everybody impacted. Let's bring in some municipal politicians and some provincial politicians. Let's see what they are doing and why maybe that's having a negative effect on our ability to keep these guys here.

Colin is right, Oshawa went off-course. They were told their employees were the best in the world. GM said this was wonderful. They had a 100-year history, yet they still walked away. It doesn't make sense. There's something else going on here, and we had better identify that pretty quickly before we lose everybody else.

Colin, I think you have a good motion. For a guy coming out of western Canada who's worried about his oil and gas workers and 100,000 jobs in that sector, I will support you on this because it's important. We can't let any sector in Canada be decimated as we're seeing right now.

• (1120)

The Chair: There are no more comments on this side, so do you want to wrap it up, Mr. Carrie?

Mr. Colin Carrie: Again, my pleading here at the committee is because, at the end of the day, this is about real people, real jobs, real communities. As Randy was saying, we hear over and over about power. We've heard now we've got agreement with quotas and regulation, and nobody notices until the plant closes down.

One of my colleagues, regarding the plant that I visited over the weekend in Brockville, said that what businesses do with these agreements is sometimes they have plants in every country, but they don't close the plant in Canada. What happens is the future investment goes into these other plants. Then one day something happens and they just close and it's gone. People ask what happened.

I think Randy said something that was really important, that there's something going on here, and we have to deal with this right away because this could get really bad really quickly. I don't want to see any of my colleagues' communities go through what I've gone through. If there is hope, if there's a way that we can actually get an allocation to that plant, I think we have to do everything we can to fight for those jobs because they're worth fighting for.

My worry is that, once they've gone, this manufacturing sector is always very vulnerable in these trade agreements. We've got to make sure we get a little more aggressive and quit playing the boy scout in some of these situations, because these jobs are hugely important for our future, our kids and our country.

The Chair: Mr. Peterson, did you have a quick comment?

Mr. Kyle Peterson: I do, and I appreciate where my colleague's motion is coming from. I was working at Magna during the downturn in 2007-08, when I was responsible for laying off hundreds of thousands of people. Some of them were my friends. I have tremendous empathy for what your community is going through right now and for the impact it has on people's plans. Christmas is coming up. It just puts a cloud, as you said, over daily lives.

I believe our government has a strong plan to make sure that the automotive sector in Canada remains competitive globally. More can always be done, but it's always a living, breathing plan. The communication is always between the minister and all the car manufacturers and the parts manufacturers. There are lots of consultations going on. I believe there is a plan in place that's open to new inputs and new consultations as we go along.

I just want to express that I know where you're coming from and I appreciate what your community is going through this time.

The Chair: Okay. I don't see any more hands up, so let's bring this to a recorded vote in this case.

(Motion negated: nays 5; yeas 4)

The Chair: We're going to move on to the rest of our business. We're going to deal with our market share. We're going to go in camera for this report.

[Proceedings continue in camera]

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