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• (1300)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call the meeting to order.

Welcome to meeting number 19 of the House of Commons Standing Committee on International Trade. Pursuant to Standing Order 108 and the motion adopted by the committee on October 23, 2020, the committee is studying Canada's efforts to reform the World Trade Organization. Today's meeting is being webcast and is taking place in a hybrid format, pursuant to the House order of January 25, 2021.

I welcome our witnesses for the first panel. From the Business Council of Canada, we have Trevor Kennedy, director of trade and international policy; from Canadian Manufacturers & Exporters, we have Matthew Poirier, director of trade policy; and from the Centre for International Governance Innovation, we have Bob Fay, managing director of digital economy.

Mr. Kennedy, you have the floor.

Mr. Trevor Kennedy (Director, Trade and International Policy, Business Council of Canada): Thank you, Madam Chair and committee members, for the invitation to take part in your meeting today on reforming the World Trade Organization.

The Business Council of Canada is composed of 150 chief executives and entrepreneurs of Canada's leading enterprises. Our members directly and indirectly support more than six million jobs across the country and hundreds of thousands of small businesses. Representing different industries and regions, these men and women are united in their commitment to improve the quality of life for all Canadians.

We are a trading nation. Our prosperity and living standards depend on trade, and 65% of our GDP is tied directly to it. The post-war rules-based system under the General Agreement on Tariffs and Trade—and now its successor, the World Trade Organization—propelled economic growth and facilitated the expansion of our firms into new markets. Throughout this period, global merchandise trade grew by an average of six per cent a year among its members. Today, WTO members account for 98% of global trade.

While bilateral deals, including NAFTA—now CUSMA, the CPTPP and CETA, have helped to grow the pie, many of our firms continue to rely on the global system for access to critical markets and to ensure there are common, predictable and enforceable rules around the world. As Canada looks to rebuild its battered economy, the global system will be even more important for Canadian ex-

porters to succeed in the post-pandemic world. Merchandise exports to the world fell by 12.3% in 2020, a decline of \$70 billion.

As with any relevant organization, the WTO requires both maintenance and modernization. Unfortunately, because of disagreements around key elements like dispute settlement, we have not been able to advance this organization for some time.

Given the recent challenges it has faced, some have even questioned the long-term viability of the WTO. However, Canada has not. In an effort to be constructive and to provide steps toward modernization, Canada took the lead by creating the Ottawa Group. With EU members, Japan, Australia and other countries on board, the Ottawa Group represents a critical mass of like-minded partners that are serious about reforming the system.

Canada played another important role in establishing the multi-party interim appeal arbitration arrangement, the MPIA, which includes many Ottawa Group members and several countries outside that group. The MPIA is a critical stopgap measure to ensure that the WTO dispute settlement mechanism continues to function in several leading economies, but we know this is not an alternative to WTO reform.

The Business Council of Canada has been supportive of both the Ottawa Group and the MPIA. For the past year, our president and CEO, Goldy Hyder, has proudly served as WTO business advisory council co-chair to the Minister of International Trade. In this capacity, we have supported the government in its effort to drive more private sector engagement in Canada and with our international business counterparts in the Ottawa Group process.

Last year we organized round tables on issues including e-commerce and dispute settlement. The latter included high-level participation from the U.S. private sector, a key stakeholder if we are to achieve meaningful WTO reform.

Dispute settlement is by no means the only thing the WTO does, but because of long-standing disagreements over its function, it has become a roadblock to moving the rest of the organization forward. It is critical that we bring the U.S. back to the table. We believe Canada and the Ottawa Group are well positioned to do that. Early signs from the Biden administration, such as its support for the new director general and openness from Congress, are encouraging. At the same time, many of my counterparts in the U.S. consider WTO reform and restoring its functionality a priority.

The council and its members are eager to support efforts to engage the U.S. government and the private sector to achieve reform. If we work together in good faith, I believe we can overcome our disagreements.

Beyond repairing dispute settlement, the WTO needs to change with the rapidly evolving global economy. As an example, we believe recent developments, such as the WTO joint statement initiative on e-commerce negotiations, can liberalize and create a level playing field for Canadian firms in fast-growing areas of our economy, including digital trade and e-commerce. We were pleased to join the International Chamber of Commerce and a wide group of international business groups in a letter supporting these negotiations earlier this year.

In conclusion, Canadian business leaders value the role the WTO plays in our economy, and they support reform and modernization to ensure that it remains a relevant institution. We encourage Canada to continue its important work within the Ottawa Group.

I thank you for the opportunity to speak here today, and look forward to answering your questions.

• (1305)

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

We'll move on to Mr. Poirier, please.

Mr. Matthew Poirier (Director, Trade Policy, Canadian Manufacturers & Exporters): Good afternoon, everyone, and thank you for inviting me to participate in today's discussion. It's my pleasure to be here on behalf of Canada's 90,000 manufacturers and exporters and our association's 2,500 direct members to discuss World Trade Organization reform.

Our association's members cover all sizes of companies from all regions of the country and all industrial sectors. We represent the majority of Canada's manufacturing output as well as Canada's value-added exports.

Manufacturers are some of Canada's largest exporters, and global trade is the lifeblood of our sector. The manufacturing process relies on global supply chains to source and to make all the goods that the planet needs.

Our sector sells products to every corner of the earth, sustains good, high-paying jobs in Canada and creates wealth and prosperity for all Canadians. Therefore, the WTO and standardized global trading norms more broadly are critically important to managing the trade that our industry and our economy rely on.

Since its inception, the WTO has been instrumental in setting the rules for global commerce and for resolving disputes that arise

while conducting business abroad. It has been a singular achievement and has established an international framework for productive and peaceful international trade.

This doesn't mean we haven't encountered problems along the way. Our research shows that Canada's share of global exports started to decline around the same time that China was admitted to the WTO at the beginning of the century. Having such a negative and large player enter the club meant that Canada and its allies were at a cost disadvantage overnight.

Once legitimized by WTO membership, China increasingly became an indispensable part of global supply chains, and we are inextricably linked to it today as a result. The WTO's handling of the China question will undoubtedly define its future and the future of the global trading order.

In any event, a lot of time has passed since the WTO's inception in the nineties. Much as NAFTA started to show its age before we moved on to CUSMA, the WTO is now clearly in the same situation. Worse, the dysfunction we've seen in recent years at the WTO threatens its very existence and makes reform of the organization not a "nice to have" but a "must do".

CME supports the WTO and its necessary reform and is especially appreciative of our government's efforts at modernization, through the Ottawa Group. It is an example of global leadership, and we commend Minister Ng for spearheading this initiative.

For too long, everyone around the globe has whined about the WTO, but this push is the only real effort to actually do something about it. CME is proud to be part of this work, and it is definitely something we hope to support in the years ahead.

Because of the work of the Ottawa Group, we believe Canada is now in a position to play a larger role in the reform movement. Canadian manufacturers and exporters believe the following principles and areas of focus should be included in the WTO reform agenda:

Number one would be to strengthen the WTO's monitoring function. This is a core responsibility of that body. The WTO is meant to police actors and ensure countries are living up to the rules and standards of their trade agreements. Transparency is key. Without it, actors can be tempted to use trade-distorting practices. Without proper monitoring and the production of real trade data, these distortionary actions are easier to slip in. Therefore, a robust and enhanced monitoring ability would keep everyone honest and potentially avoid having to resort to, and overburden, frankly, the dispute resolution mechanisms of the WTO.

Number two would be to strengthen those dispute settlement mechanisms. When monitoring and mitigation fail, the dispute settlement mechanisms need to be able to resolve disputes between trading parties quickly and fairly, with emphasis added on "quickly". Before the appellate body atrophied last year, it was still taking years for decisions to wind their way through the system. This creates the incentive for bad actors to exploit and game the system and intentionally bog down disputes because it's in their interests to do so. More concerning, it removes consistency and stability for business, and the trade ecosystem suffers as a result.

Number three would be to modernize trade rules to avoid falling further behind. Because there's been a lack of consensus on how to update global trade rules, countries have gone about resolving those issues in bilateral or multilateral trade deals, like Canada has. If the WTO cannot keep up, it will inevitably be left in the dust.

- (1310)

Canadian manufacturers and their global peers run into so many issues when trading abroad: unfair competition from state-owned enterprises, dumping, currency manipulation, industrial subsidies and trade barriers more generally. This is in addition to global trade rules not coming to terms with broader issues like digital trade, sustainable development and environmental regulations. In order to tackle all these issues, Canada should seek consensus with like-minded countries and prioritize which challenges to address first, and then update those rules accordingly.

To recap, WTO modernization efforts must focus on strengthening monitoring and dispute resolution mechanisms, and work with like-minded nations to update the rules.

However, as you've heard me say here before, while WTO reform work is very important to Canadian manufacturers and exporters, we still have the problem of our domestic industry's increasing inability to take advantage of global trade. Canada's manufacturer exporters are too small, and at full capacity. Generally speaking, a higher proportion of Canada's businesses are small SMEs than is the case for most of our global competitors. From a fundamental, structural perspective, then, we need to get our companies to invest in their businesses and help them grow and scale up. Larger companies are simply better positioned to take advantage of global trade.

The Canadian government is uniquely positioned to help in this way by continuing to support exporters through its various agencies, but also by investing in mentorship and trade skills training. We need to increase our production capacity and our domestic trade expertise to tackle this problem.

In conclusion, CME strongly supports Canada's efforts and leadership in WTO reform. This is not some arcane, theoretical exercise. It has real-world consequences, and will only become more important if we see these retrenchment trends in global trade, as a result of the pandemic, continue. A strong, rules-based enforcement body such as the WTO will be even more necessary in that scenario. However, it is all moot if we do not help Canadian industry first, at home. Only then will we be able to reap the benefits of global trade and thrive.

Thank you again for inviting me. I look forward to the discussion.

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

We go on to Mr. Fay, please.

Mr. Bob Fay (Managing Director, Digital Economy, Centre for International Governance Innovation): Good afternoon and thank you, Madam Chair and honourable members, for the opportunity to present the views of the Centre for International Governance Innovation, or CIGI, on World Trade Organization reform.

As you've heard, the WTO faces many challenges. Indeed, it is experiencing a crisis of legitimacy in each of its three core functions—negotiation, dispute settlement and transparency. More generally, the WTO finds itself struggling to respond effectively to the challenges of rapid economic, political, social and technological changes.

Multilateralism and rules-based trade co-operation are critical for Canada's prosperity and relations with the world. As a middle power with a trade-dependent economy, Canada has both the incentive and the capacity to contribute enlightened ideas and to advance novel reform initiatives to the WTO. As we have also heard, Canada has done so with the creation and leadership of the Ottawa Group to guide WTO reform efforts.

I will first provide specific reform ideas within each of the WTO's three core functions. Then I'll turn to areas where trade rules need to be modernized. More detail is provided in the background brief and in the CIGI WTO reform essay series that can be found on our website.

First, on the negotiation role, the WTO today is negotiating on a wide range of issues. Indeed, the trade governance agenda is almost entirely a “trade and” agenda, with a daunting list of “ands”. They include labour, gender, indigenous peoples, climate change and the environment, data, digital issues, e-commerce, human rights, development and intellectual property. It's hard to visualize the WTO dealing with these issues in their entirety, much less adjudicating disputes around them.

CIGI suggests that member states reinvent the WTO by abandoning the effort to manage so many “behind the border” issues that cover such disparate elements of economic and social policy. The “single undertaking” approach, whereby all manner of topics were pooled to make broad-based progress while allowing for trade-offs between them, should be ended.

Nevertheless, the WTO must continue to monitor these diverse areas. Indeed, all WTO member countries could be mandated and provided incentives to report trade impact assessments on these “and” issues to develop a better database for measuring the distributive consequences of trade measures. The WTO must also place a greater focus on facilitating negotiations and increasing barrier-free trade.

Although multilateralism is best, in current circumstances, a plurilateral approach is more workable and can help to build consensus among like-minded countries. An example of such an approach was the agreement of Canada, Chile and New Zealand on issues of trade and indigenous peoples.

The WTO can also work better with other international organizations—other stakeholders—and can create expert groups to develop consensus on technical issues. Bringing in the Group of Twenty, the G20, might be useful in helping to choose among the options and set a realistic course for WTO modernization. The G20 could also be used to achieve consensus and reach compromise on key issues over which the WTO is negotiating, and to help develop a new program of work for the WTO.

I will now turn to the dispute settlement system that has understandably attracted much attention. The impasse over the Appellate Body threatens the whole system and distracts from discussion of other improvements that would make the dispute settlement system more inclusive and effective for many members. In fact, for many WTO members, the WTO functions well.

The problem of the dispute settlement system stems from the relationship between the first stage in dispute resolution, which is the WTO panels, and the next stage, which is the Appellate Body. The standard for Appellate Body review should be reshaped more towards a deferential one, in which the reasoning and findings of panels are respected when they are of a bilateral nature—less involving third party interests—and those relating to technical matters.

While there's hope that the Appellate Body issue may be resolved with the appointment of a new director general, while it continues not to function there are other solutions. We've heard that Canada, with the EU and other countries, agreed to the multi-party interim appeal arbitration arrangement. In addition, members could follow no-appeal agreements and use dispute settlement mechanisms in other trade agreements.

• (1315)

Turning to the third core function of monitoring, effective trade co-operation depends upon information sharing of national measures that might affect trade. The current paralysis in the WTO is caused in part by insufficient information on which to pursue informed negotiations and deliberations.

Government notifications remain the most important source of information, and many governments face capacity challenges in complying with these requirements. Notifications can be improved by ensuring that information requirements are fit for purpose, and by providing support for building governments' capacity to gather and share information. The secretariat could also be tasked to compile this information. China presents a special case, especially with its subsidies notifications, but it could be encouraged to centralize notifications, make them in the original language and have other members “counter notify” China's measures from their own sources.

Then, the WTO trade policy reviews could be improved by making their timing more flexible, their content more targeted and detailed, and their discussions more probing.

Let me now turn to three areas in which trade rules need updating.

The first is development and trade. Addressing development issues will be important to successful WTO reform, including ways to provide flexibility in the rules for developing countries commensurate with their level of development, and building their capacity to take on new commitments. There is a need to encourage efforts to find solutions-oriented approaches to the controversial issue of developing country status and eligibility for special and differential treatment.

Next is digital trade. The digital transformation and the data-driven economy call into question numerous aspects of the WTO system. Digital trade goes well beyond e-commerce. It includes cross-border data flows, with implications for data and AI governance, competition, privacy, intellectual property and other areas. Much of the technical regulation in these areas must be developed through parallel processes outside the WTO and then fed into WTO negotiations.

We must also be wary of using regional trade agreements that can act as stepping stones into other policy spaces and become a multilateral standard. More generally, the WTO should not be the organization that determines the division of rents in the intangibles economy. Here, I would refer committee members to remarks I made to this committee on CUSMA in February 2020 in this area.

Finally, I will turn to what's referred to as TRIPS, the trade-related aspects of intellectual property rights.

During decades of negotiation, all parties have recognized that the world trade system could not function without integrating intellectual property. The advent of artificial intelligence and the explosion of cross-border data flows changes the economics of innovation and the nature of trade, and thus requires a rethinking of TRIPS. This could be done in conjunction with the World Intellectual Property Organization and other international bodies, which could then feed into the implications for trade by the WTO.

In conclusion, there are many strategic choices awaiting the WTO. At the same time, it is important to keep in mind that the WTO's enduring strength is as a form of compromise, where consensus results are not always economically or politically optimal.

Thank you for your attention. I would be pleased to answer any questions you may have.

• (1320)

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

We'll go now to the committee.

We have Mr. Aboultaif for six minutes, please.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you to the witnesses, Mr. Kennedy, Mr. Poirier and Mr. Fay.

Regarding the WTO, of course, we hear about problems. We hear about dispute settlements, negotiation function, transparency and accountability or notifications. Canada has stepped up with many countries. They share the same worries, on probably different agendas, to be able to somehow counter and try to lobby for an improvement to the system, fixing the system and doing something about the existing problems that the WTO is going through.

China is a big player now, of course, besides the United States. It seems that the big economies are somehow trying to eat the lunch of the others in one way or another. That's appearing here and there in different fashions. Canada took the initiative with the Ottawa Group and is working on an MPIA to somehow improve the system.

My question to the three witnesses is, what other options do countries like Canada have? Do we have an option, through specific legislation, to somehow change course? That will, of course, lead to pre-negotiation on any trade agreements or on any future relationships when it comes to trade relationships.

Do we have an option to change legislation in Canada in order to be able to change the course over things that happen with the WTO?

I'm happy for any of you to start, but if I can choose, let's start with Mr. Kennedy.

Mr. Trevor Kennedy: Rather than looking at legislation, as I noted in my opening remarks, Canada has a policy window at the moment with the new administration to engage on this issue. There's an openness in the United States right now. There is very encouraging language coming from different policy-makers at different levels. I really think Canada should lead the charge to engage the United States. That's the best path forward, in my opinion.

• (1325)

Mr. Matthew Poirier: I would have to agree with Mr. Kennedy.

Off the top of my head, I don't see a legislative path domestically. As I mentioned, Canada is already showing great leadership, through the Ottawa Group, with respect to reform and leading other people. Also, let's face it, Canada benefits from the WTO as a middle player, more so than the big countries you mentioned. It's in our interest, as well, to have a WTO that functions and doesn't sort of wither on the vine and disappear.

I think our current efforts are well placed and that we should continue pushing on that front as well.

Mr. Bob Fay: I agree with my fellow witnesses. What we want to do is essentially work with countries with which we share similar views and values, and that really is a plurilateral approach. We know that a multilateral or plurilateral approach is an effective way to influence global discussions. If we can get a lot of countries to agree in a certain area—and this is the Ottawa Group's purpose—then we can push ahead to make it more global.

I'd like to bring up one other point, though. I don't want to comment on domestic legislation per se, but I think it's important that Canada has well-defined views to bring to the table. This is particularly important on the digital economy and when one thinks about the whole myriad of issues that pertain to it. For example, if we take something like data governance, where Canada is still working on its position, we risk taking on board what other countries have already defined, like the EU and the General Data Protection Regulation.

Mr. Ziad Aboultaif: Thank you. That's good feedback.

On specifically the nuts and bolts of the trade barriers for Canada's industries, what are the top barriers that you believe our industries will be facing? Would you be able to name the top two for me?

This question is for all of you, starting with Mr. Fay.

The Chair: Give brief answers, please.

Mr. Bob Fay: I'll leave the trade barriers to my colleagues, but I think a big issue going forward is intellectual property and the division of rent.

Mr. Ziad Aboultaif: Chair, would you allow the two other witnesses to give us brief answers?

The Chair: Yes.

Mr. Ziad Aboultaif: Thank you, Chair.

Mr. Poirier.

Mr. Matthew Poirier: For us, trade barriers are really country dependent, but a common one for manufacturers comes from standards. That's through the regulatory process or otherwise. To give you an example, auto manufacturing parts will arrive at a port in a foreign country. All of a sudden, the requirements that are needed for those parts will change. Those parts stay sitting on the dock for months on end until they can comply.

That's a trade barrier. That's intentional.

The Chair: Thank you, Mr. Poirier.

I'm sorry, Mr. Aboultaif. I have to move on.

Ms. Bendayan, please.

Ms. Rachel Bendayan (Outremont, Lib.): Thank you, Madam Chair.

Allow me to thank you, witnesses, for this encore performance. I see a lot of familiar faces here today. I hope you realize that it speaks to the value we put on your perspective and your testimony. You certainly delivered once again in your opening remarks. I found all three very interesting.

Mr. Poirier, you mentioned a number of specific areas in need of reform. One of the things you pointed to was the quick resolution of disputes when they arise. It's certainly something I've heard. Obviously, it was a bit of the *raison d'être* of forming the Ottawa Group originally, although as you mentioned, it has evolved into something bigger thanks to Canada's leadership.

To go back to the quick resolution of disputes just for a moment, can you help enlighten the committee on what you're hearing on the ground from your manufacturers and exporters? Is this something that you hear as a concern from them before disputes even arise? Is it something you hear more after disputes have commenced? How does it impact Canadian businesses?

• (1330)

Mr. Matthew Poirier: That's a great question. It depends on the issue. We've certainly heard about the softwood lumber lows, but the WTO's been helpful, for the most part, on resolving those. Again, the emphasis is on whether it happens fast enough.

When we've taken cases recently, before the Appellate Body atrophied, we've seen that because other players know that it takes so long, the gaming happens almost instantly around that. For businesses, they might get a solution in three or four years' time. In that amount of time, the strategy could have been to build up the price of a stock that's in competition or whatever. These are in disputes that we've had with our closest neighbours too. By the time that courses its way through and a decision is made that's ultimately favourable for Canada, the stock price of the competitors in the other country has already risen. They've cashed out and moved on. That's a deliberate business strategy. It's a devious business strategy, but it is one nonetheless, because it works.

That's a good example of how having a slow dispute settlement process impacts players, especially smaller markets like Canada. They really rely on these systems to seek justice, because they might not have the weight to throw around that other countries have.

Ms. Rachel Bendayan: Thank you.

You mentioned in your earlier comments how important the WTO is to Canada. Because of our relatively small population size, we need to export in order to grow our companies. Of course, you mentioned that other middle powers, like Canada, benefit disproportionately from the WTO.

I'm wondering if there are any comments on the floor from our witnesses with respect to how the business community is feeling about this renewed interest on the part of the United States to engage on this issue. Of course, thanks to the administration change in the United States, we have a new director general of the WTO. She is from Nigeria. This is the first time we have a woman, let alone an African woman, at the head of the WTO.

Perhaps we could have some thoughts from Mr. Fay, Mr. Kennedy and Mr. Poirier on how the business community is feeling about this change in mood and direction.

Mr. Bob Fay: I'm sorry. I can't speak on behalf of the business community, but I can speak on behalf of a think tank. We have done consultations at CIGI for Global Affairs. It's very encouraging to see the change in administration and the approach to more multilateral efforts. I don't think there's any doubt about that.

A lot of things need to change at the WTO, but they require a concerted effort, and because of the nature of the WTO you need consensus to make those changes. The multilateral approach and the re-engagement with the U.S. can only be helpful.

Mr. Trevor Kennedy: Everyone is cautiously optimistic, not just with the United States. The European Union's new trade policy signalled openness for reform. I think there is a moment right now, and if we can take advantage of it, we can make some meaningful progress. I'm certainly more hopeful than I was this time last year. I hope some of that work starts soon.

Mr. Matthew Poirier: I agree with Mr. Fay and Mr. Kennedy. The re-engagement with the U.S. will be critical in the months and years ahead, especially on this one. While the Americans did finally agree to appoint the new director, they were dragged into it kicking and screaming at the same time. I might not be as convinced yet that they're fully on board with WTO, but we do have CUSMA and probably other agreements in the future with them, so I'm not worried on that front. Engaging them will only help us convince them of the merits of the WTO.

• (1335)

The Chair: I'm sorry, Ms. Bendayan, but you don't have any more time.

We'll move on to Monsieur Savard-Tremblay for six minutes, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Thank you, Madam Chair.

My thanks to all the witnesses. Good afternoon to my colleagues also.

I would like to ask you about softwood lumber. I will keep the question open and not direct it to any specific witness. I would like to hear from anyone who has anything to add on the matter.

As we know, in 2020, the WTO found in favour of Canada on the softwood lumber dispute, even though Canada had not exerted any pressure for the issue to be settled, given that we were renegotiating NAFTA. But the Quebec Forestry Industry Council warned us that this is a temporary solution, not a permanent one. They warned us that, until we have a long-term agreement, we are simply turning a blind eye and putting the problem off.

In your opinion, what is the impact of this WTO decision?

[*English*]

Mr. Matthew Poirier: I'll jump in to answer Monsieur Savard-Tremblay's question.

For the most part, the WTO has been helpful for us, especially on this file, which has been a perennial trade irritant between us and our biggest trading partner to the south. I agree, it's a constant battle and it's frankly an unfair one, and it octopus out into different areas too, which are related to softwood but also involve pulp and paper and other manufacturing processes. To the extent that we can leverage an agreement or some sort of structure to try to help avoid these problems in the future, certainly we in the manufacturing industry would be very supportive of it.

My earlier comments on the situations I alluded to, whereby U.S. competitors game the trade tribunal system to their advantage is present, and it happens in this sector as well, so we're very concerned about that type of action. The problem is that if it's not punished, it keeps happening, because it becomes a viable business strategy.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Let me go back to my question: what effect does the WTO decision have? Is it worth the paper it is written on? Does it give us a little breathing room temporarily? In a word, how do you see it?

Put another way, do you feel that we absolutely need a real and permanent agreement between the two countries to settle the matter?

[*English*]

Mr. Matthew Poirier: That's a good question. It's very difficult in the structures we have in international frameworks, whether that

be CUSMA or otherwise, to get these line items. We have to have robust dispute mechanisms to do it.

I guess that comes back to my earlier point. If that dispute settlement process is rapid, that's better for business, and it's also better when we have the right data—that's where the WTO comes in again—in that monitoring function.

When the data is scarce and it's sort of made up, that's where you can slip in garbage and try to get away with stuff that you otherwise wouldn't if you had the right data.

Also, with strong monitoring and strong data, you can avoid the dispute settlement processes generally, because if they have to present data and it's trash, then it's thrown out and dismissed right away.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

My next question goes to all the witnesses.

We understand the importance of the Dispute Settlement Body, which is based on a principle of justice, that all countries, small and large alike, have the same status in a dispute that needs to be decided. We have examples of small countries managing to win against larger countries, which is very good in a global context.

But could there still be a problem with the approach?

In fact, we have seen examples that lead us to question the way in which the Dispute Settlement Body has come to its decisions. I am thinking, for example, about the energy program that Ontario established and that had requirements favouring local companies and local workers. The project made good sense at a time when we were rediscovering local purchasing and the importance of generating economic activity at home. But Japan and the European Union won against Canada before the WTO's Dispute Settlement Body.

So, setting the tool aside, should the approach be reviewed?

• (1340)

[*English*]

Mr. Bob Fay: That's a great question. Going back to the U.S. and the optimism around the new administration, of course, they have also reinforced their buy American provisions. All countries want to have the right to do that, but you want to be able to do it on a non-discriminatory basis. There are clearly tensions there that have to be worked out.

I want to go back to the previous question. There are ways to speed up dispute settlement at the WTO that I mentioned. The secretariat is severely constrained on the information it can use. There's no reason they shouldn't be able to gather information, and they can't do that right now. Then, on dispute settlement itself, roughly two-thirds of all panel decisions are disputed. It's now at a point of asking, why not do it?

We have ideas on how to speed up that process that I think would be beneficial to everybody.

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

We'll go on to Ms. Mathysen for six minutes.

Welcome. We're glad to have you at the committee today.

Ms. Lindsay Mathysen (London—Fanshawe, NDP): Thank you, Madam Chair, and I thank the witnesses.

I think it was you, Mr. Fay, who mentioned the TRIPS segment of the WTO.

I was wondering if you could expand on that in terms of IP rights around vaccinations—especially as, obviously, we're dealing with a great deal of vaccination talk now—and the temporary waiver that Canada hasn't signed on to. What is the impact of that?

Mr. Bob Fay: Obviously, it's an incredibly topical question. The Institute for New Economic Thinking released a report yesterday on this very topic. The president of CIGI, Rohinton Medhora, is part of the commission that was behind that report. I'd refer you to it. There are four points in it.

As you've indicated, patent rights and their enforcement are integral to our trading system. They give temporary monopolies to allow companies to take risks and to get paid for those risks. What this report really discusses is that in this case the pharma companies have received enormous support from governments, which in fact has mainly covered their R and D costs, and then they've benefited tremendously from public research.

I guess the question would be, should they be allowed to enforce patent rights in this particular instance, when there is obviously a global health emergency, a pandemic? There are measures for compulsory licensing built in. I can't comment on Canada's position. I don't know enough about that. I think there is a clear case that patent rights could be waived or be considered to be waived for this pandemic.

Ms. Lindsay Mathysen: Maybe the other witnesses could chime in as well and add their voices to that question.

Mr. Trevor Kennedy: In my case, I know only what I've read in the news. There's no interaction with members. I don't have anything to say beyond what was already said.

Mr. Matthew Poirier: I have nothing to add.

Ms. Lindsay Mathysen: I have another question for you though, Mr. Poirier.

For a long time now, the manufacturers and exporters have been talking about that domestic side of the problems you have in terms of growing that export and so on. You also mentioned some of the domestic bodies that are involved. Could you go into a greater explanation of that? Was it called "Import in Canada"? There were several bodies that were supposed to increase that.

There were also discussions about the reductions of the people—I've forgotten what they're called—who monitor agricultural exports, and the safety inspectors and so on. If you could elaborate on that, that would be really helpful.

• (1345)

Mr. Matthew Poirier: Certainly. What I was referring to were Canada's big trade support agencies, such as the EDC's trade com-

missioner service and those agencies. We've found that our members and exporters who use those services really like them; they're very helpful, and they do the job. The problem is that when we survey our membership, most of the membership does not know that these places exist, let alone the specific programs you've just mentioned, which are very helpful.

There's been a retrenchment over the last number of years on having people from these agencies embedded, whether it's with us in the trade association or on the ground, and having offices where people can walk in and talk to someone in person. That has been pulled back quite considerably.

We could pretty much track where that sort of aimlessness began, and it was when that retrenchment happened. Certainly, having more people out in the field would be beneficial, but it's also about leveraging us in the trade association world to help the government connect with these people.

Picture, if you will, that you're an SME exporter and you're saying, "Gee, I wonder how I can increase my market in country X." You'll talk to your accountant, you'll talk to your legal advisor and you'll talk to your staff. Your default setting is not to think, "Gee, I wonder what the government has to offer." That's where trade associations and other people who are linked in can be leveraged.

The other side of it, too, is the training—the trade skills training. There are a number of programs, FITT being one of them, that we've partnered with in the past. That creates the capacity within Canada of skills for trading for that profession. Most Canadian companies are SMEs and have a certain bandwidth of what they can take on in terms of skills training. These types of programs, with proper funding and proper outreach, could be very beneficial.

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

I'm sorry, Ms. Mathysen, but your time is up.

We go now to Mr. Hoback for five minutes.

Go ahead, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Madam Chair.

Thank you, witnesses, for being here on a Friday. It is great to see you all.

What I will start with is that it comes back to the decisions made at the Appellate Body. They rule in our favour, and then what? That is one of the concerns I hear from a lot of people. A good example of that involved our country-of-origin labelling in the U.S. with our beef sector. Okay, so we won the case, but then what?

Do you see anything that should be done or should be part of Canada's stance in the redoing of the Appellate Body to address that? I will start with Mr. Fay first and then go to Mr. Poirier.

Mr. Bob Fay: The first step is really to fix the Appellate Body. Nothing is going to happen until that's fixed. There are ways to fix it. I think a speedier resolution and more certainty are going to make things better for everyone.

On the appeal process beyond the Appellate Body or, I suppose, enforcement, I am going to have to pass it over to the people who are on the ground and who are fighting these battles.

Mr. Matthew Poirier: It is a good question. Things often fall apart in the enforcement part of it. That might be tied into the third pillar that I discussed, that when we are talking about rules and resetting rules, we might have to think about—and this is really out there—reforming the rules of the WTO to beef up that enforcement angle of it. How do you punish actors or players who do not abide by rulings?

That's the only way I see it, from the WTO perspective, but certainly I'll echo what Mr. Fay says, that just getting them more quickly might discourage people. If they know it takes years to do, then it is in their interest to go to the body, even if they know they are going to lose.

• (1350)

Mr. Randy Hoback: I agree with you on the process.

Even the Trump administration highlighted a lot of flaws with the process—things that were being neglected and ignored that need to be addressed. I assume that under the Biden administration we will still see the same things being brought forth and we'll have to address them. I think they need to be addressed.

While we are addressing those issues, I am wondering if we should also be addressing some of the other issues, such as enforcement, as I mentioned. What used to bug me with COOL was that anything we did to retaliate also hurt the Canadian sectors, which would be retaliated against. I would almost like to be able to retaliate by exporting to Japan or somewhere else, so at least it wouldn't hurt us but would hurt somebody else. That's a different world.

Mr. Kennedy, I was going to ask you a question. Right now, with COVID, one of the things I'm hearing from the CEOs of my small businesses is that they're trying to plan for the summer. They're trying to figure out what they're going to do. I'm very concerned, as we see other countries like Israel and the U.S. being so far ahead of us in vaccinations, that they'll actually have their economies jump-started before we will, and then they could come in and scoop up our customers.

How big a threat is that?

Mr. Trevor Kennedy: I think we're all eagerly awaiting opportunities to get our vaccines. Just looking at business sentiment, I'll point towards something I saw this week that was quite interesting. Our counterpart organization in the United States, the Business Roundtable, polls its CEOs on a regular basis on business sentiment. It's quite clear that we have seen, as vaccines have been rolled out in the United States, a clear improvement in sentiment in the business community. I hope we're in the same position by the

summer. It all depends on our ability to receive our vaccines on time. Fortunately, to date, we haven't had any of our shipments delayed.

This goes to the core of things like the multilateral trading system; concerns around vaccine nationalism; ensuring that our partners play by the rules now and in the future; and ensuring that we have access to critical supplies, vaccines and so on.

Mr. Randy Hoback: Mr. Poirier, we're starting to see a rise in inventory levels at the manufacturing level. How concerned should we be with regard to that? What signal does that send to our economy?

Mr. Matthew Poirier: It is a worrying trend that we've started to see. It means they might not have enough customers out there to buy their goods. To piggyback on what Mr. Kennedy said too, the further we fall behind.... That gap between other countries' being vaccinated and our not being, even if it's a small one, for business translates into restrictions having to be in place that much longer. That has an impact, certainly, on our manufacturing sector—on central manufacturers—but it also affects the movement of workers across borders. It affects all those types of flows as well.

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

We'll move on to Mr. Sheehan for five minutes, please.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much to all the presenters here today for their excellent testimony.

One of the pieces I've heard again and again about the WTO, among the various suggestions that have been made, has been in particular around the Ottawa Group. It made some suggestions in regard to the various supply chains. I know that's very important for the Canadian Manufacturers & Exporters. It's important for communities like Sault Ste. Marie, which I represent. We've talked about countries, but even within countries there are certain sectors, and of course I'm going to talk about steel, steel manufacturing and the various things that have been presented around dumping.

Could the Canadian Manufacturers & Exporters give us some thoughts around steel, the steel chain and how the WTO has performed around that? I know we introduced a number of measures around anti-circumvention and around scoping and market situation. Oftentimes, when we were talking about that many years ago, people were saying it wouldn't be WTO-compliant, but it has been compliant and it has been working.

Could the Canadian Manufacturers & Exporters comment on the WTO as it relates to steel manufacturing and others? Thank you.

• (1355)

Mr. Matthew Poirier: Certainly. As Mr. Sheehan knows, the steel sector is a very global sector, and it has fallen prey to a lot of the issues I've talked about, such as dumping, and how that affects our relationships with our trade partners like the U.S. when they're worried about transshipments into the U.S. from other countries. These are all issues that the steel sector has had to deal with.

A more robust WTO, especially the dispute settlement mechanisms, would be beneficial to them. I'm sure my friends in the steel sector would always think that it could do more to help our domestic producers, especially here in Canada, and certainly any mechanism that would help....

It comes back to that data question again too. Are we collecting the right data? Are other actors fudging the numbers to an extent that it disadvantages our industries because we can't prove otherwise in these areas?

All that, and the efforts I mentioned in my comments, would certainly help our domestic steel sector.

Mr. Terry Sheehan: Thank you very much. I also have a question for the Business Council of Canada. Back in 2019, I think it was, Canadian business organizations comprised of your council and the Agri-Food Trade Alliance, the Chamber of Commerce and the Canadian Manufacturers & Exporters called on WTO members to "engage and intensify efforts to restore the full functionality of the Appellate Body." They said that in the absence of a fully functioning dispute settlement system, "the World Trade Organization simply cannot do its job of protecting the rights of Canadian exporters and importers."

To what extent and how would a fully functioning WTO dispute settlement system protect the rights of Canadian exporters and importers?

I'll start with the Business Council of Canada on that one.

Mr. Trevor Kennedy: In one piece, we have a temporary solution with the MPIA, which was discussed before. That covers some of our important trade partners, but it unfortunately doesn't include the United States, and that is an issue for us.

The country of origin labelling was brought up before. This came up recently in the new USTR's confirmation hearing, about recreating a COOL system that might survive a dispute at the WTO. We have concerns we're going to have to be prepared for, and while it will ensure a functioning dispute settlement mechanism with many of our trade partners, the MPIA won't cover that piece with the United States.

It is really critical that we find a way to work with the U.S. to restore the functionality of the Appellate Body in terms of the U.S.-Canada relationship and the relationship with other countries that aren't part of the MPIA. Yes, obviously this is one of a list of priorities we have with the new administration.

Mr. Terry Sheehan: It's interesting. Way back in the day, when I was in high school, then trade minister Jim Kelleher, a Conservative member, spoke to our class and started talking about what they referred to as backdoor tariffs. I think back then it was on pork and swine.

To our presenters, whoever wants to talk about that.... We study it on the trade committee as well, with some other issues around grains and such, that countries are always.... There's a chance a country will say, "Well, we don't use that particular product or vaccine or whatever on our livestock, so—"

The Chair: I'm sorry, Mr. Sheehan, but do you have a very short question? That was a very long question.

Mr. Terry Sheehan: Okay. I will ask the Business Council of Canada, very quickly, what kind of backdoor tariffs are out there that they're aware of and that their members are concerned about, if any.

Mr. Trevor Kennedy: At the moment, nothing comes to mind, but there are lots of technical barriers and non-tariff barriers that our companies face.

The Chair: Committee members, if there are questions for any of the witnesses, you can always write to the clerk. The clerk will ensure that the witnesses get the questions you didn't have a chance to ask at committee and get the information back to you.

Thank you very much to our witnesses. We see you a lot at this committee, and we appreciate very much the information and the good work you're doing on behalf of Canada.

We will suspend for a minute or two for our other witnesses to come on board.

• (1355)

(Pause)

• (1400)

The Chair: I want call the meeting back to order and welcome the officials now participating in the second panel.

From the Department of Foreign Affairs, Trade and Development, we have Steve Verheul, chief trade negotiator and assistant deputy minister, trade policy and negotiations; and Ms. Kendal Hembroff, director general, trade policy and negotiations.

The committee heard from the officials on this file on March 11, 2020, and this meeting today is to give us a bit of an update.

For the information of the committee, we will be stopping the witnesses at 2:45 so that we can do some committee business for a few minutes.

Thank you very much.

Mr. Verheul, you have the floor.

Mr. Steve Verheul (Chief Trade Negotiator and Assistant Deputy Minister, Trade Policy and Negotiations, Department of Foreign Affairs, Trade and Development): Thank you, Madam Chair.

Good afternoon, everyone. I am pleased to be here today to provide an overview of the government's engagement on WTO reform, including Canada's leadership of the Ottawa Group. In particular, I'd like to highlight some significant developments that have come out of the Ottawa Group since the onset of the COVID-19 pandemic.

I am joined today by my colleague from Global Affairs Canada, Kendal Hembroff, director general of the trade negotiations bureau.

As mentioned, Kendal last spoke to you on WTO reform a year ago in March, days before things shifted to the new realities we find ourselves in today. However, the important work continues and, in fact, has intensified.

First let me provide some context. Canada is a founding member of the WTO, which was created in 1995. The WTO is critical for Canada, as it governs trade between 164 members. Its framework of rules provides the necessary stability and predictability for an open Canadian economy to thrive. It is also the cornerstone from which all our free trade agreements are built.

Even prior to the pandemic, the multilateral trading system was facing an increasingly challenging environment, characterized by the rise of protectionism and use of unilateral trade measures. This led to difficulties in a number of areas: first, a stalemate in negotiations; second, a lack of consensus on how to treat developing countries; and, third, an impasse in appointments to the WTO's appeal mechanism.

The pandemic has served to intensify many of these challenges. Against this backdrop, it has become apparent that we need a collective recommitment to the rules-based trading system and, in particular, to finding multilateral approaches to managing the global economic impacts of the COVID-19 pandemic.

The Ottawa Group has been a key vehicle for Canada to exercise leadership on WTO reform. As a small group of like-minded WTO members, created in 2018 with the sole objective of supporting WTO reform efforts, the group has been an effective sounding board on WTO reform issues and has positioned Canada to play a leading role in advocating on behalf of Canadian interests.

Most recently, the Ottawa Group has delivered excellent results in its response to the pandemic. Since the onset of the pandemic, the Ottawa Group has met twice at the ministerial level and four times at the vice-ministerial level. A key achievement of the past year was the endorsement of the June 2020 joint statement, "Focusing Action on Covid-19", in which Ottawa Group members committed to a six-point work plan with concrete action items.

A direct outcome from this statement was the endorsement of a communication on trade and health during the November 23 Ottawa Group ministerial meeting. The communication calls on WTO members to avoid further disruptions in the supply chains of essential goods and proposes the launch of a multilateral WTO initiative on trade and health. This communication was presented to the WTO's General Council on December 16, and has set the stage for a busy work plan through 2021 leading up to the 12th WTO ministerial conference, which is now scheduled to take place in November of this year in Geneva.

Ottawa Group members have also collaborated on a Singapore-led initiative against export restrictions on purchases of humanitarian food aid by the World Food Programme.

Canada has also not lost sight of the ongoing WTO reform work, and we are advancing discussions within the Ottawa Group. A key priority for Canada and other members is to address the current impasse in appointments to the WTO's appeal mechanism, also known as the Appellate Body. Driven by concerns about its functioning, the United States has blocked new appointments to the Appellate Body since 2017. The last Appellate Body member's term expired in December 2020, which means that the proceedings simply freeze if a party files an appeal.

For a mid-sized country like Canada, this loss of recourse to binding dispute settlement has serious implications. We are among the top users of the WTO dispute settlement system and have been a disputing party in a total of 63 disputes—40 as a complainant, 23 as a respondent—since 1995. For example, our overwhelming win on softwood lumber at the WTO from 2019 remains in suspended animation because of the lack of an appellate body. Nevertheless, we can and do use the strong legal arguments endorsed by the WTO report in our continuing advocacy and legal work on behalf of our softwood lumber industry and workers.

● (1405)

This situation provoked some creative problem-solving on the part of Canada and the EU to develop a bilateral interim appeal arbitration arrangement in July of 2019. That ensures the continued enforceability of WTO decisions and provides for those decisions to be reviewed by an experienced group of arbitrators.

This arrangement inspired the establishment of the multi-party interim appeal arbitration arrangement, also known as the MPIA. This arrangement has 25 participants covering 51 countries, including the EU and China, and will apply between participating members until the Appellate Body is functional again. In the meantime, Canada's priority remains finding a permanent solution to the Appellate Body impasse. Until that occurs, this interim arrangement safeguards our rights to binding two-stage dispute settlement with willing WTO members.

Canada is also playing an active role in a number of ongoing WTO negotiations, including negotiations to limit harmful fisheries subsidies. Fundamentally, this negotiation is about helping to preserve the sustainability of global fish stocks for future generations. Members had committed to concluding negotiations by the end of 2020 in order to meet a UN sustainable development goal. However, due to continuing divergences in members' positions and logistical challenges caused by COVID-19, the negotiations are still continuing. Canada has made a number of important contributions in these negotiations, including a proposal to discipline subsidies contributing to overfishing and overcapacity.

Challenges to the multilateral approach to negotiations have also led members to pursue negotiations through plurilateral approaches involving subsets of the overall membership. For example, willing members have launched plurilateral initiatives, also known as joint statement initiatives, in such areas as e-commerce, investment facilitation for development, domestic regulation for services, and micro, small, and medium-sized enterprises. These negotiations have the potential to deliver significant benefits for Canadian businesses of all sizes. Canada is actively participating in each of these.

Canada is also keen to see work launched in such new but important areas as trade and environment and industrial subsidies, as well as to continue to advance Canadian interests regarding the elimination of trade- and production-distorting agricultural subsidies.

On the organizational side, we recently welcomed the appointment of Dr. Ngozi Okonjo-Iweala as the new director general. We are pleased that for the first time the WTO has a director general who is female and who is from an African country. We look forward to engaging the new director general on WTO reform and the important work on the response to the COVID-19 pandemic and the global economic recovery. To this end, we have invited her to attend the next ministerial meeting of the Ottawa Group on March 22.

We also look forward to engaging with the U.S. on WTO reform. While early signals from the new Biden administration have shown a willingness to engage more constructively at the WTO, we should not necessarily expect that U.S. positions on a number of issues will have drastically changed. Bilaterally, and through its leadership in the Ottawa Group, Canada will seek to find areas of alignment with the U.S. to advance key WTO reform priorities.

With that, Madam Chair, I would like to return it to you for questions.

Thank you very much.

• (1410)

The Chair: Thank you very much, Mr. Verheul. It's nice to have you at the committee so many times.

Ms. Gray, you have six minutes, please.

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

Thank you, Ms. Hembroff and Mr. Verheul, for being here. It's nice to see you again.

We had a written submission from the Canadian Canola Growers Association. They had a number of recommendations in there. I wanted to highlight one of them, because it was also mentioned in our earlier witness testimony today. It was about needing to improve timelines and the "quality of notifications". Is that something that's being looked at right now by the Ottawa Group, that you're aware of?

Mr. Steve Verheul: Yes, it certainly is something we have been working on. In fact, when we initially established the Ottawa Group, that was one of the three main elements we were looking to try to improve on. Transparency and notifications—those kinds of issues were front and centre. That remains a fundamental objective, but over the course of the past year we've also turned much of our focus to addressing issues that are specifically related to COVID-19.

Mrs. Tracy Gray: Would changes discussed at the Ottawa Group meeting in November of 2020 on trade flows of essential medical supplies prevent the EU from using export controls to stop the flow of COVID-19 vaccines to Canada?

Mr. Steve Verheul: We had specific discussions around that issue. As I think you know, in November we were discussing issues related to trade and health.

This is a bit more of a long-term effort to try to make sure we have the ability to move WHO members in such a direction as to get rid of issues that are potential barriers, like customs procedures, limit the use of export restrictions—which goes directly to your point—eliminate tariffs and increase transparency. All this is with the objective of strengthening global supply chains and ensuring the free flow of essential medicines and medical supplies.

We're continuing to advance that initiative. The recent issues around export restrictions by the EU have complicated the EU's position on that particular issue, but we're continuing to push it forward.

Mrs. Tracy Gray: On that note, one of the documents submitted to the WTO by the Ottawa Group for consideration is titled “COVID-19 and Beyond: Trade and Health”. On page 3, on export controls on COVID-19 vaccines, it states, “Members will...exercise restraint in the imposition of any new export restrictions, including export taxes, on essential medical goods and on any prospective vaccine or vaccine materials.”

Which member of the Ottawa Group would have proposed this? Are you aware of that?

Mr. Steve Verheul: There was broad support for that among the Ottawa Group, particularly at that point in time. As I mentioned, we have had unanimous support on the trade and health initiative, and it has been a main focus of what we've been trying to achieve moving forward. However, as I mentioned, there is a bit of a complication more recently because of the new mechanism put in place by the EU. They are certainly assuring us that it will not be in place for a long period of time, but it is in place and it is causing some challenges.

• (1415)

Mrs. Tracy Gray: Has Canada put forth any proposals that might prevent this? Are there any proposals that we can make within that mechanism?

Mr. Steve Verheul: Within that mechanism itself there's not much we can do, because at this point it's something where we're trying to build support for an initiative. There are no binding commitments as of yet; these are more ideas that we're putting forward. The EU—certainly from what we've been looking at—is within its rights to impose that kind of a regime. That is allowed under WTO rules. We have had some concerns about how they've been applying it, particularly with respect to whether there is differential treatment being provided to different countries.

Mrs. Tracy Gray: What's interesting is that Australia and the EU are both Ottawa Group members, yet recently we saw Italy, an EU member, through its export control measures, block AstraZeneca vaccines from being shipped to Australia. Would changes discussed at the Ottawa Group have prevented this from happening?

Mr. Steve Verheul: With respect to the trade and health initiative, we don't think it would necessarily have prevented that entirely. We've been saying that if there are going to be any trade restrictions imposed, they have to be very temporary and in place for a short period of time. They have to be as limited as possible, and members should try to get out of those export restrictions as soon as possible.

Mrs. Tracy Gray: Thank you.

Really briefly, Ms. Hembroff, the last time you appeared at the committee, you mentioned that China has been very engaged on work with the Ottawa Group and that members have made proposals and presentations to the Ottawa Group.

Has China made proposals to the group? If so, what are they, and is it something that could be tabled to the committee?

Ms. Kendal Hembroff (Director General, Trade Policy and Negotiations, Department of Foreign Affairs, Trade and Development): One year seems like a long time ago.

I think you correctly recall that I would have mentioned at the time—and it still continues to be the case—that the Ottawa Group welcomes having members who are not part of the group come and use the group as a sounding board for ideas. China certainly presented to the group some of its ideas in terms of a potential initiative on plastics—in particular, plastics pollution—and that is actually an initiative that is now being discussed more broadly within the membership.

I don't know whether or not China presented an actual piece of paper at the time, or whether that is something that could be shared, but certainly we can share with you the resulting communication that ultimately Canada and other WTO members have co-sponsored, which arose out of that initial discussion on a possible initiative in terms of plastics pollution.

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

We'll go on to Mr. Arya, please.

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

I have a question that is slightly different from discussing WTO work.

I recently had a meeting with the Canadian Agri-Food Trade Alliance, which is recommending that we create a position for a chief implementation officer. We have had many successful trade agreements with so many different countries, and if some of the resources of the trade negotiation bureau could be separated and a new trade implementation bureau formed, with a chief implementation officer.... If experienced traders like the agri-food traders find that they need a chief implementation officer, I'm quite sure that many of the small manufacturers, especially in the knowledge-based sector, need support in seeing that the benefits of these trade agreements reach them. Having a chief implementation officer would also help the trade commissioners. They could act as a single resource at Global Affairs Canada, which would help them too.

• (1420)

Mr. Steve Verheul: Along with my colleagues from Agriculture and Agri-Food Canada, I have had fairly extensive discussions with CAFTA on the notion of a chief implementation officer, and we had the most recent of those discussions a couple of weeks ago. The discussion was more in the nature of exchanging ideas and posing some questions about whether this is the best path forward or not. Clearly, between our organization and AAFC, we do all of this work. What CAFTA seemed to be interested in is almost more the optical aspect of having a single place to go to, a single window. We can certainly look at something like that, but the notion of having a new position created that would deal with these issues would have a lot of overlap with what is already going on, and that person—whoever it might be—wouldn't necessarily have the same kind of hands-on knowledge as the rest of us who are engaged in all this.

So we talked about the issue. They were going to go back and think a bit more. On our side, we suggested that perhaps it would make sense to look at something like a regular summit, where we could have conversations between the agriculture sector and most of the people who are actually working on the ground on these issues, in order to make sure we get the details directly to them.

We see this as a process issue, and one that I think we can fix, so we'll continue that dialogue.

Mr. Chandra Arya: Okay. As I mentioned, if experienced traders like CAFTA are thinking in these terms, I'm wondering what help is required by small businesses.

Anyway, in one of the previous committee meetings, we had, I think from the Asia Pacific Foundation of Canada, someone who commented that instead of unilateral trade agreements, say, with Indonesia, it would be good for Canadian supply management companies—the companies that are involved in supply chains—to have a regional agreement. Instead of focusing on Indonesia, it may be good to have a free trade agreement with a regional group like ASEAN. I know it may be difficult to achieve that. Maybe the process of a free trade agreement with Indonesia can be a stepping stone towards a free trade agreement with ASEAN. However, doesn't it look good to have region-based, multilateral agreements rather than unilateral free trade agreements?

Mr. Steve Verheul: Well, it certainly makes sense to have a broader agreement rather than a more narrow agreement, but as you kind of implied, it sometimes makes sense to do what you're able to do at a given point in time.

However, I would like to turn that question over to Kendal Hembroff, because she's been directly involved in those discussions, particularly with the ASEAN group and Indonesia.

Ms. Kendal Hembroff: Canada is continuing to pursue a possible Canada-ASEAN free trade agreement, which we've been pursuing since the launch of exploratory discussions three years ago. The pandemic has certainly reinforced the importance of an agreement with all of ASEAN, especially as an opportunity to be able to tap into regional supply chains.

That doesn't preclude us from pursuing the possibility of bilateral agreements with ASEAN member states, and Canada recently conducted public consultations to seek the views of Canadians on a possible trade agreement with Indonesia. That type of agreement could potentially be pursued in parallel with a Canada-ASEAN FTA, and it might actually allow us to reach an agreement sooner that is potentially more ambitious than might be possible on a regional basis.

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

We'll go on to Mr. Savard-Tremblay.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Good afternoon.

My thanks to all the witnesses for their presentations and for giving us their time.

Could I check something with Mr. Verheul?

Has the Ottawa group on WTO reform had a meeting after November 23, 2020? According to the information we have, that is the date of the most recent meeting. Have there been other meetings since?

[*English*]

Mr. Steve Verheul: Yes, there have been. We have not had a ministerial meeting since then, but we do have one coming up. We have had, I think, two vice-ministerial meetings, and we've had ongoing meetings in Geneva among our ambassadors. We've also had meetings between many of us at headquarters and our counterparts. There's been a lot of ongoing dialogue taking place and a lot of activity.

● (1425)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: The November 23 meeting dealt with a proposed WTO trade and health initiative. We read, for example, that the initiative “identifies short-term actions to strengthen supply chains and ensure the free flow of medicines and medical supplies”. That is all we know about it. Are there any more details on the matter? You have just confirmed that subsequent meetings have been held. Have those actions become more specific?

So, on the one hand, we have this desire for medicines and medical supplies to flow freely and for supply chains to be strengthened. On the other hand, we have a political desire to depend less on external markets for medical products. How can it all be brought together?

[*English*]

Mr. Steve Verheul: That is certainly something we've been focused on very intently.

Since having the meeting back in November, we have been working towards trying to develop a statement that could be presented to the WTO General Council. We initially presented a statement to the WTO General Council on December 17 of last year. We did get quite a bit of support, but we've been working on it since then to build some broader support. We've also been conducting outreach activities. Now our target is to try to build support for the adoption of a WTO declaration on trade and health at the General Council meeting in May.

We're also looking forward to the next ministerial conference, the MC12, in Geneva—as I mentioned, it would be in November of this year—so we can take a look at where we are on the trade and health initiative and also see if we can start to get a broader negotiation going for these issues, to meet the very objectives you outlined. We want to make sure we can avoid a lot of the difficulties we've had over the past year by removing export restrictions and making sure that any actions taken in periods of critical shortages are targeted, transparent, proportionate and temporary. We're trying to get rid of all kinds of tariff restrictions. All in all, it is an effort to try to make sure that trade, particularly in these types of products, moves as freely and openly as possible.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you. So I gather that this will be better defined shortly.

I would like to go back to a question I asked the other witnesses who appeared just before you. It deals with softwood lumber.

We know that there was a judgment in Canada's favour last year. But a number of industry representatives have certainly advised us that nothing was settled, because there is still no agreement. As we know, the Canada—United States—Mexico Agreement did not allow the matter to be settled.

Nevertheless, what is the effect of this judgment and how will it determine Canada's strategy?

[English]

Mr. Steve Verheul: The softwood lumber issue has been a long-standing irritant. We have a total of six legal cases that we have been pursuing on softwood lumber against the U.S. over the past number of years. We have cases under the earlier NAFTA that have not yet led to a conclusion. We have cases that we've initiated under the new trilateral agreement, CUSMA, and we have two ongoing cases before the WTO. We have a number of challenges out there.

We've met with a considerable degree of success, as we usually do in these cases on softwood lumber. However, in particular, we have concern that both softwood lumber cases we have taken to the WTO have been appealed. Given that the U.S. took the action they did to ensure we do not have a functioning Appellate Body, those cases have essentially been appealed into the void. There's no immediate resolution.

We think that the arguments in the original panel decisions on those issues are still very helpful to us. We're still pursuing, within the trilateral context with the U.S., the remaining four cases. We tend to win almost all of these cases, so we are hoping that will put enough pressure on the U.S. to start thinking that maybe it's time to get back to the negotiating table to try to sort something out.

• (1430)

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

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

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

I was hoping you might be able to share with the committee some of the early signals and signs coming out of the new Biden administration.

This study committee started under the Trump administration. Obviously, the Appellate Body's work had been compromised by the fact that it didn't have enough members. I think that was part of the genesis of the Ottawa Group, and it was part of what was going on when we started this study.

It's a pretty significant change to have a new president now in the United States. I'm just wondering if you want to provide some reflections about what you think that means for the WTO generally, and also what you think it means for the work of the Ottawa Group.

Mr. Steve Verheul: We have seen some important and significant differences coming out of the Biden administration so far. They've certainly indicated a very strong willingness to engage with allies and work with allies to try to find solutions, and we've already started some very good dialogues in that direction.

When it comes to some of these trade issues in particular, the Biden administration has not really taken a position yet on how it's going to approach these issues, particularly the impasse on the Appellate Body questions. We're going to have to wait and see for a bit longer.

We've been having dialogue with officials within the U.S. trade representative's office, and those have been constructive as well, but they're basically telling us that until the new U.S. trade representative is confirmed in her position, they're reluctant to go too far out in terms of what the positions might be.

With respect to the Ottawa Group, I think certainly once Katherine Tai is confirmed as the U.S. trade representative, which we expect will happen within days, we will be seeking to have a meeting with her and the Ottawa Group to start the process of trying to dig into this issue to see if we can find some solutions.

Mr. Daniel Blaikie: One of the issues that's come up lately in respect of the WTO has to do with the TRIPS provisions and intellectual property rights. It's something I'm hoping we're going to soon be able to do a deeper dive into at this committee.

Obviously Canada has not yet signed on to the proposal for the waiver. I'm just wondering, what are some of the concerns that Global Affairs has about such a waiver?

Mr. Steve Verheul: First I would like to make it clear, because I think there's been confusion off and on, but we have not rejected the proposal for a TRIPS waiver. Obviously a significant number of WTO members support a TRIPS waiver, and the proposal was put forward by India and South Africa, as you know, but also a number of members are opposing the waiver proposal outright, so there's no consensus on a way forward. That leaves us effectively stuck, at least for the moment.

Therefore, we have been trying to see if we can find a way for Canada to dig a little deeper into some of the issues and if we can try to find solutions that could be accepted more broadly. That's the tack we've been taking. We very much want to find a solution.

Most recently we've started to support what is clearly a parallel track of the WTO director general's so-called "third way effort", which involves a dialogue directly with the pharmaceutical industry, looking at where we have production challenges and how those can be fixed, and where we have distribution challenges and how those can be fixed.

The problem is very clear. How we can best address it is an ongoing challenge. We're certainly optimistic about this third way that the WTO director general is pursuing. It doesn't mean we drop the issue of the TRIPS waiver. We continue to work on that as well. It's a matter of trying to make sure we can solve this issue as quickly as we possibly can. We don't want to get into a position where we're going to get stuck and not make progress.

● (1435)

Mr. Daniel Blaikie: On Wednesday, about 30 civil society organizations in Canada wrote the Prime Minister in support of the TRIPS waiver. I'm wondering whether that letter has been brought to your attention, appreciating that it may take a little time for those things to travel within government, and whether your plan as you proceed on this issue would be to consult with those organizations, as well as the pharmaceutical industry, to get a sense of where Canadian groups are on this and to try to represent the will of Canadians as much as possible in this matter.

Mr. Steve Verheul: We would certainly be happy to consult with those groups to talk about this issue, to start to see if we can find paths forward. We recognize the challenge of this and it's essential that we find solutions to it, so we're very happy to engage in those discussions and to continue to work to find solutions to this.

Mr. Daniel Blaikie: Thank you very much. I appreciate those insights into the issue.

That's all for me, Madam Chair.

The Chair: You had 15 seconds left, so I was trying to let you know there was no time.

Now we'll move on to Mr. Lobb for five minutes, please.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you, Madam Chair.

Thank you again for coming to committee.

How much does Canada pay every year to the WTO? Is there a fee that we have to pay?

Mr. Steve Verheul: Yes, there is, but I have to confess that I don't know what it is offhand. It's scaled to the economic size of each of the memberships, so the larger economies pay the most and we pay somewhat less.

Mr. Ben Lobb: Is one of the problems with where we are with the WTO today versus 25 years ago that we can't even agree on what a developing country is? Is that an outstanding issue, do you think, on this situation? I'm guessing China, India, Brazil, Mexico and others are all classified as developing countries, and there are some arguments for that, obviously. However, when they're in the top 20, and some are in the top 10, how can we have a legitimate organization that can't even recognize what's developing and what's developed?

Do you have any thoughts on that? I'm sure it's contentious.

Mr. Steve Verheul: Yes, it is contentious, and the actual discussion is more in the nature of yes, we recognize there are developed countries and there are developing countries, and we're not necessarily arguing with that distinction. Where the debate more recently has been is that there are significant differences between or among developing countries. There are very advanced, very large

economies in some developing countries. Other developing countries are very small in economic terms, have little influence and are in a much different situation, without the same kinds of advantages that others have.

The challenge is, how do we differentiate among developing countries in the kinds of obligations we would expect them to take on?

Mr. Ben Lobb: Isn't it true, though, that most countries in the WTO are in the developing category?

Mr. Steve Verheul: Yes, that's true. The majority are.

Mr. Ben Lobb: Maybe we should all just agree to become developing countries, and then we'd all get along. I say that with tongue in cheek.

The WTO says that one of its functions is monitoring. It monitors. I'm looking at the durum wheat situation in Italy. Has the WTO monitored that? Did it let us know, "We have monitored this, and they are wrong." That would be a basic function for the WTO.

Mr. Steve Verheul: When we talk about monitoring by the WTO, it's not so much a question of monitoring individual issues. It tends to monitor whether WTO members are submitting the necessary transparency with respect to everything from subsidies to export restrictions to various measures that there should be transparency about, for example, spending levels and all those kinds of things. It's more of an aggregate monitoring of what each country is doing.

● (1440)

Mr. Ben Lobb: Fair enough, but on the WTO website it says "periodic scrutiny of their trade policies and practices".

Mr. Verheul, you are very well respected, obviously, and I have a great deal of respect for you. I know you're in a tough position to critique this on the record, so I'm not trying to make you do something that is going to get you offside.

It seems to me that if the WTO was monitoring trade policies and practices, it would read the news and say, "Well, it looks to me like Italy is doing something to Canada in the durum wheat. Maybe we'd better look into this, as a monitoring function."

Does that ever happen?

Mr. Steve Verheul: It does happen, but in a different kind of context. In addition to the general monitoring and reporting function that every WTO member has—to report significant amounts of information to the WTO for examination by others—we also have a narrower review of each individual member under the trade policy mechanism.

When it comes to a review of the EU, which happens every couple of years, all members have the opportunity to talk about concerns they have with respect to the EU. Certainly, the COOL issue [*Technical difficulty—Editor*].

Mr. Ben Lobb: The role that the WTO actually plays in trade deals.... Maybe I'm naive about this whole situation, but when I look at the USMCA trade deal, does the WTO play any role in that, when we're renegotiating NAFTA into the USMCA?

Mr. Steve Verheul: Yes. For any kind of free trade agreement that is negotiated, there is a process under the regional trade agreements at the WTO to review those trade agreements and determine if they meet the requirements that a trade agreement must meet in order to be considered a valid trade agreement by the WTO.

I will admit that this process is not necessarily as rigorous as it might be, but there is a review. Countries have an opportunity to ask questions about the free trade agreement, and it has to meet certain requirements, such as substantially covering all trade.

Mr. Ben Lobb: My time is likely up. I'd like to thank Ms. Hembroff and Mr. Verheul. It must be extremely frustrating dealing with all this stuff, and I appreciate your efforts in what seems an impossible task.

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

Yes, the time is up. We have to do some committee business.

I want to thank Ms. Hembroff and Mr. Verheul. I am sure it won't be too long before we'll have you back before us again, sharing your knowledge and your information.

You are free to go. Thank you very much. You can disconnect, and we will move on briefly to some committee business.

On this particular issue of the WTO, the analysts will now proceed with preparing a draft report on the testimony heard and submissions received by the committee on WTO reform.

I'd like to ask any members who have special instructions for the analysts if they would please send them to our clerk by next Wednesday, March 17. If members have no objection, we can close the window for submissions of briefs on that Wednesday, March 17, as well. If that's all right with everyone, that's where we'll move on to on that.

We have two motions here. I have a motion from Mr. Blaikie, but before I deal with that, I see that Mr. Savard-Tremblay's hand is up.

• (1445)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I just wanted to point out that I also have two motions to introduce. I understand that I will be able to do so after we have dealt with Mr. Blaikie's.

[*English*]

The Chair: Thank you very much.

Mr. Blaikie, do you want to speak to your motion?

Mr. Daniel Blaikie: Yes. Thank you very much, Madam Chair.

We've had some discussion already today about the TRIPS waiver here in committee and also in question period. It's a topical issue that has to do with vaccine supply during the pandemic.

I think it falls well within the jurisdiction of this committee to take a look at it, given that it's at the WTO that the issue is taking place. This would be a very appropriate forum to hear from folks on various sides of the issue and to try to understand it a little better and find a good path forward. I beseech members of the committee to support the motion today so that we can undertake that study.

Thank you.

The Chair: Thank you, Mr. Blaikie.

I have Ms. Gray.

Mrs. Tracy Gray: Thank you, Madam Chair.

I'm wondering if Mr. Blaikie would be amicable to one minor amendment—or actually an addition—to his motion, which would be to add the words “and investment”. It would read that “the committee undertake a study of Canada's trade and investment policy and trade agreements”. It fits fully within the mandate of our committee, and I'm wondering if he would approve of that amendment.

Thank you.

Mr. Daniel Blaikie: I certainly don't have any objections to that wording change, provided that it's not going to undercut being able to get the study under way. I don't see any problem with it and would be happy to accept that amendment.

The Chair: Okay.

I also have Mr. Sheehan.

Mr. Terry Sheehan: It's on the motion I talked about on Monday, which I introduced about a week and a half ago. I'll wait my turn.

The Chair: I have Ms. Bendayan.

Please go ahead.

Ms. Rachel Bendayan: Thank you, Madam Chair.

To the motion Mr. Blaikie put before us, and now the amendment from Ms. Gray, it's just to advise that I am fully in support of studying this. We just heard from the witnesses earlier that it is something Canada is very much engaged on, and I think it would be interesting to look into it.

With respect to the amendment proposed by Ms. Gray, I would just ask, in what way does this change the study? As Ms. Gray knows, the focus of the TRIPS agreement is trade-related intellectual property rights. I just want to ensure that we keep a focus on IP rights. Investment brings in a whole other aspect.

The Chair: Ms. Gray, did you want to comment on Ms. Bendayan's question?

Mrs. Tracy Gray: Yes. Thank you, Madam Chair. I appreciate that.

It's basically so it opens it up in case there are witnesses who might cross over. The focus will be as it's laid out, because the rest of the motion defines the TRIPS agreement and everything. This just broadens it slightly so that in case there are some witnesses where there is crossover, it just gives us more opportunity to hear from different people.

The Chair: Thank you, Mrs. Gray.

Mr. Hoback.

Mr. Randy Hoback: We heard from a witness in the last round who talked about how, because there have been so many governments investing in these vaccines, investment would trump IP rights, or has a way to trump IP rights. It's a curious idea. When does government investment take precedence as far as who actually has ownership of the intellectual property, in this case? Does anything there need to be explored?

IP is very important. I think both Ms. Bendayan and Mr. Blaikie would agree with me. We want to make sure we have these companies doing this ongoing research for the next pandemic or the next issue. I don't want to do anything that would ever dissuade or make it so that other companies just say, "No, we're not interested."

In the same breath, if we are spending a lot of public money in the development of these, then we should talk about that too and about how it impacts intellectual property.

• (1450)

The Chair: Mr. Lobb.

Mr. Ben Lobb: Thank you very much.

It's a fantastic discussion. The committee may want to look at the fact that Pfizer, for example, I believe did not take any government subsidy or funding for the development of its vaccine. I think Pfizer is selling its vaccine in a for-profit business model, if you want to call it that, whereas other pharmaceuticals took government money and have made an arrangement to sell at cost, etc. The committee might find that an interesting situation.

The Chair: Thank you, Mr. Lobb.

Is there any further comment on Mr. Blaikie's motion as amended?

Do you want a recorded vote on this?

Mr. Daniel Blaikie: If there's consensus for it to pass, Madam Chair, I don't see a need.

The Chair: I don't see any objection.

(Motion as amended agreed to [*See Minutes of Proceedings*])

The Chair: We will now move to Mr. Sheehan's motion.

Mr. Sheehan, you have the floor.

Mr. Terry Sheehan: Thank you very much.

I've read this into the record and I've circulated it. Due to the time, and also the fact that Mr. Savard-Tremblay will be introducing some motions, I don't know if it's necessary to read it. I would

just ask the committee to vote on this now. It's a very important subject and it captures a lot.

I open it back up to the floor, Madam Chair.

The Chair: Mr. Lobb.

Mr. Ben Lobb: Thank you.

I would propose to Mr. Sheehan a friendly amendment to include "nuclear", to the broadest extent that you could include nuclear in it, just recognizing from CANDU all the sourcing, servicing and supplying, including the finished reactor.

Any way you can put it in there that makes Mr. Sheehan happy would satisfy me. Seeing as Bruce Power, the largest nuclear reactor in the world, is in my riding, I thought they should be included in that.

Thank you.

The Chair: Thank you, Mr. Lobb.

Mr. Arya.

Mr. Chandra Arya: Thank you, Madam Chair.

This is a good motion, a very important one, on clean energy, but I see that it lacks one critical thing. In the clean energy space today, the growing viability factor for clean energy is energy storage, and that is batteries—not just for electric vehicles but as an energy storage system.

This motion deals with exportation, but we have to focus also on the importation of these technologies so that we can use them for the development of industry, from mines to manufacturing to technologies. In the U.S., in the last year alone, four or five major projects—close to \$10 billion—have been announced for the development of batteries, focusing on both electric vehicles and energy storage systems.

When we deal with clean energy, we should also recognize the growing importance of battery technologies as energy storage, which makes clean energy more viable. We should also focus on trade commissioners helping us get the technology so that the manufacturing can be done in Canada. If they can be manufactured viably in the U.S., we can also get it done in Canada.

Thank you, Madam Chair.

The Chair: Thank you, Mr. Arya.

When you do your witness lists, I'm sure those will be some of the witnesses you're going to want to make sure are there.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you, Madam Chair.

I just want to say that I'd be happy to undertake this study. I am concerned and hopeful that we might be able to move quickly to the study on the WTO TRIPS proposal. I would feel far more comfortable voting in favour of the study if it were clear in the motion that we were going to undertake this study after the TRIPS study. I'm wondering if there might be a willingness on the part of Mr. Sheehan and the committee to make that will clear.

• (1455)

The Chair: Can I have a comment back from Mr. Sheehan?

Mr. Terry Sheehan: I'll take care of those three comments now.

Yes, as it reads, it says, "examination on how Canadian clean technology such as hydroelectricity, wind energy, solar energy, carbon sequestration,"—carbon capture—"grid management, and plastics recycling". That's a "such as", but I would be more than willing to add, especially with regard to grid management, because that is a lot about batteries too.... We could just put "batteries" in there.

With regard to MP Lobb's comments, let's also add a comma and "nuclear" in there to talk about the good things he is proposing as well.

Yes, I'll accept all those.

Mr. Blaikie, yes, at the last meeting I mentioned this would be about a three- or four-meeting study—maybe four now with those two more things introduced—and I said that we could plug it in as we need to, as we go along on this important study. Obviously, I just voted to support Mr. Blaikie's motion, so I'm okay with that.

The Chair: Thank you, Mr. Sheehan.

We will move on to Mrs. Gray.

Mrs. Tracy Gray: Thank you, Madam Chair.

First, with regard to the priority of studies, I agree that Mr. Blaikie's is probably more timely because of what we're dealing with.

Mr. Sheehan, if you're agreeable, another thing that we could add in here is LNG. We could probably add in another 10, 20 or 30 items to the list.

Perhaps the best way to address this, rather than being prescriptive and listing everything we can possibly think of, is if we don't list anything and just leave it more general. Call it "clean technology" and then move on. Then it gives more options, because if this study isn't going to happen very soon, within the next week or so, there might be other emerging ideas that come to us. Rather than being so prescriptive, I would like to suggest that we just keep it general. Each of us, as we have different witnesses and ideas, can bring them forth at that time.

Mr. Terry Sheehan: If you don't mind, Madam Chair, I can reply to that quickly.

The carbon capture and sequestration goes around some of the industries that you were talking about and some of the great technologies that they're using in trying to get down to net zero.

It's a "such as". As the chair mentioned, with regard to anyone who wants to bring forward witnesses around clean tech or anything else, I think that would be up to the MPs' purviews. I was just

using this as an example. You're right; we could probably list 10, 20 or 100 things. They're just examples, so I would welcome the introduction of whoever would like to testify and is doing great work in Canadian clean technology.

The message is understood. Thank you.

The Chair: Ms. Bendayan is next, please.

Ms. Rachel Bendayan: Thank you to my colleague, Mr. Sheehan, for putting forward the motion, and to Mr. Lobb for the proposed amendment, which I am supportive of.

I just want to indicate that we are now at 2:58. Rather than having an extensive discussion about the calendar, scheduling and where we're going to put these motions, which we haven't done for any of our previous motions, I would suggest that if we are close to finishing debate, we vote on the motion before us, as is, with the amendment. I'm not sure if it's necessary to vote on them separately.

Thank you, Madam Chair.

The Chair: Mr. Abouttaif.

Mr. Ziad Abouttaif: First of all, it's a good motion by Mr. Sheehan. I think this is a study we really need.

I would echo Mrs. Gray's suggestion just to keep it broad, because almost every day, something new comes into this industry to improve the green, general environment and so forth. We are in the middle of it in Canada, and it would be nice to keep it open and generic. I want to make sure that nothing in the motion will limit our ability to invite witnesses.

The Chair: Okay.

Ms. Gray, is your hand back up again?

Mrs. Tracy Gray: Yes, Madam Chair. I was just going to make the suggestion that perhaps we say "such as but not exclusive to", or "such as but not...." I'm trying to think of the wording here, off the top. I just want it to be really clear that we can open this up. As we've said, there might be other ways we haven't even thought of, so it would be such as but not—

• (1500)

Mr. Chandra Arya: Do you mean "limited to"?

Mrs. Tracy Gray: Yes. Thank you. That was what I was thinking.

The Chair: Mr. Sheehan, this is your motion, with a suggested amendment from Mr. Lobb. Are you wanting to change it, or do you want to have a vote on your original motion as amended by Mr. Lobb, or...?

Mr. Terry Sheehan: It's very difficult doing this on the fly, but I think we get the message that it's opened up, and that people can draw their witnesses as they want, accepting Mr. Lobb's nuclear one and very specific.... The "such as" and the wordsmithing are examples therein. It's green technology, so the witnesses should be in line with the intent of the motion.

I think the way it is now with the amendments, we include "nuclear" and then "batteries", which would be under grid management. For the LNG, etc., that's under carbon sequestering, as an example therein. Some of the—

The Chair: Mr. Sheehan, we're running out of time. If you want to vote on this....

I'm sorry, Mr. Savard-Tremblay. Did you want to speak to Mr. Sheehan's motion?

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: No, not specifically. Since the clock is ticking, I just wanted to make sure that I was not forgotten.

[*English*]

The Chair: I know, so if we can vote on Mr. Sheehan's motion....

The intent is pretty clear. We want this to be as broad as possible, and we'll get to it when we can.

Yes, Madam Clerk.

The Clerk of the Committee (Ms. Christine Lafrance): I just want to be clear that the words that will be added to the motion will be "batteries" and "nuclear".

Mr. Terry Sheehan: Yes.

The Chair: Do we want a recorded vote on this, members of the committee, or is everybody in favour?

(Motion as amended agreed to [*See Minutes of Proceedings*])

The Chair: Mr. Savard-Tremblay, you were trying to get our attention. It is 3:02.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I would like to introduce two motions about committee business.

[*English*]

The Chair: It is past the committee time. Mr. Savard-Tremblay, should you want to introduce your motion at the beginning of the next meeting, or give notice to the Clerk so it would be—

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: They were submitted to the clerk before the meeting.

[*English*]

The Chair: You wish to speak to them. Is it the will of the committee to allow Mr. Savard-Tremblay to speak to—

Mr. Randy Hoback: I'm sorry, Chair. I have to leave. I have a meeting.

The Chair: Okay. Mr. Savard-Tremblay, I'm sorry. We're running out of time. You've given notice of those motions, and if you like, then I will.... If you're going to introduce them and speak to them at the next meeting, we will have to have that on the agenda. I believe that is the process.

Madam Clerk, am I correct?

The Clerk: It's up to the committee to decide, yes.

The Chair: Is that the will of the committee today, to give Mr. Savard-Tremblay some time to speak to his motions at our next meeting?

It's the will of the committee.

Mr. Savard-Tremblay, we will set aside a few minutes at our next meeting, so that you can speak to the motions you have already tabled.

All right. Is everybody good?

[*Translation*]

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

[*English*]

The Chair: Okay. Have a wonderful week, and thank you all very much for all of your great work. I hope everybody gets lots of sunshine.

Thank you all.

The meeting is adjourned.

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