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Chair: The Honourable Judy A. Sgro

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• (1530)

[English]

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

This is meeting number 56 of the Standing Committee on International Trade.

Today's meeting is taking place in a hybrid format pursuant to the House order of June 23, 2022. Therefore, members are attending in person in the room and remotely using the Zoom application.

I'd like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. When speaking, please speak slowly and clearly.

For those participating by video conference, click on the microphone icon to activate your mike, and please mute yourself when you are not speaking.

With regard to interpretation for those on Zoom, you have the choice, at the bottom of your screen, of either floor, English or French audio. Those in the room can use the earpiece and select the desired channel.

I'll remind you that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding.

Please also note that during the meeting it is not permitted to take pictures in the room or screenshots on Zoom.

Should any technical challenges arise, please inform us and we will attempt to correct that very quickly.

Today we are meeting for clause-by-clause consideration of Bill C-282, an act to amend the Department of Foreign Affairs, Trade and Development Act (supply management).

Welcome to all the officials who are here at this particular moment.

I've had Mr. Virani indicate that he wanted to speak, and I have Mr. Seeback. Before I introduce the officials, I'll refer to you, Mr. Virani, for a moment.

Mr. Arif Virani (Parkdale—High Park, Lib.): Thank you very much, Madam Chair.

I just wanted to thank you for opening up this session. We have concluded the Bill C-282 hearings with various witnesses over several meetings—I believe it was at least four meetings with respect to this bill. I think this is an important piece of legislation, and I'm very pleased that we're moving today to clause-by-clause analysis with the goal of returning this bill to the chamber.

I noted that, unfortunately, there appear to be some members of the committee who continue to seek and put forward motions to prolong the study of this bill. I don't believe such motions are warranted. I wanted to state very clearly that I and several of my colleagues will be voting against such motions. It is our strong view that this bill has been studied quite thoroughly and comprehensively, and that we have enough information before us to evaluate it appropriately and make judgment on it.

It is a short bill. I'm hopeful we will be able to conclude clauseby-clause analysis today.

I'm particularly puzzled by some of the policies of certain members of this committee to try to prolong the study of this bill, given that all parties in the House of Commons voted in favour of this bill, including members of His Majesty's official opposition, yet we still are being presented with Conservative proposals to prolong the study of the bill.

To my mind, that seems to work at cross-purposes with the voting patterns of the very same members of this committee, and indeed with the directions of their party. I would view those things as simply obstacles, in terms of the passage of this bill, that are unwelcome by me and by many of my colleagues, including from many of the other parties.

I would point out that this should not be tolerated and that we should work diligently to get this back into the chamber, given that all parties, including His Majesty's official opposition, profess to be supporters of supply management. There's an easy way of demonstrating that, and that is by actually proceeding with the passage of this bill and returning it to the House of Commons for further review and for ultimate passage, ideally, in that chamber as well.

I'll leave it at that piece, Madam Chair. Thank you very much.

• (1535

The Chair: Thank you.

Mr. Seeback, please.

Mr. Kyle Seeback (Dufferin—Caledon, CPC): Thank you, Madam Chair.

Despite what my colleague, the parliamentary secretary, has said, I have a motion that I am going to move now. I am going to move that motion and then speak to that motion.

The motion is this: "That the Standing Committee on International Trade hold one additional meeting to invite back departmental officials prior to clause-by-clause, to testify on Bill C-282 regarding urgent concerns raised about the legislation during witness testimony; and that the committee hold no fewer than three additional meetings to ensure that all witnesses can testify in person."

The parliamentary secretary has said today that there is no need for further study. I can't disagree with the parliamentary secretary more. Quite frankly, to suggest that we don't support supply management is an egregious statement.

In my riding of Dufferin—Caledon, unlike the riding of Toronto where he is from, I have many farmers. I have met with farmers. I meet with farmers all the time, including farmers in the supplymanaged sector. To suggest that we don't support supply management is just disingenuous.

To start, I would like to talk about why this motion is so important and why I think departmental officials should be coming back to this committee. I am going to talk a little about what department officials said about this bill when it came before Parliament as Bill C-216 and then contrast that with what they actually said to this committee when this bill came to this Parliament under Bill C-282.

I think members will be shocked at the inconsistencies that government officials gave with respect to a bill that is, in fact, virtually the same in nature.

One would think that department officials would come and give similar testimony. In fact, they might say the exact same things, because that's what we would expect of government officials unless, of course, we are dealing with government officials who have been influenced, perhaps, to say something else.

Let's go to what was said at the previous meeting.

Mr. Forsyth came to speak to Bill C-216 and he gave a statement on that bill. In that statement, he said some of the following:

This bill amends the Department of Foreign Affairs, Trade and Development Act so that the Government of Canada cannot make any commitment in an international treaty that would have the effect of increasing tariff rate quota volumes or reducing over-quota tariff rates for dairy products, poultry or eggs.

The intent of the bill is consistent with the long-standing Government of Canada policy to defend the integrity of Canada's supply management system.

That is very similar to what we heard when Mr. Fowler came and spoke.

This is where things start to get a bit different and a bit interesting. He went on to say, "I'd like to share with you some considerations regarding this proposed amendment to the departmental act."

This is completely different from what government officials said when they came to testify on Bill C-282.

He went on:

First, by introducing specific policy objectives, proposed amendments would fundamentally change the nature of the departmental act. The act is an organizational statute that sets out, in general terms, the powers, duties and functions of the Minister of Foreign Affairs, the Minister of International Trade and the Minister of International Development.

It does not prescribe specific policy objectives. This way, the act sets up a framework that provides flexibility to the government of the day to implement its particular foreign, international trade and development policy without having to change the underlying legislation; thus, it accommodates the policy perspectives that different governments may bring to the management of foreign affairs over time

As an example, in terms of international trade negotiations, paragraph 10.2(c) of the act provides that the Minister of Foreign Affairs is to conduct and manage international negotiations as they relate to Canada. Section 13 of the act elaborates on the specific duties of the Minister of International Trade, which include improving the access of Canadian products and services to external markets through trade negotiations.

● (1540)

Second, specific foreign international trade and development policy objectives, including how to address sectoral interests or specific constituent concerns, are generally established elsewhere.

That's a very important thing. I'll say it again:

Second, specific foreign international trade and development policy objectives, including how to address sectoral interests or specific constituent concerns, are generally established elsewhere.

This is not what was said when they came to testify on this bill.

He went on:

For international trade negotiations, negotiating objectives and how to accommodate specific sectoral interests are set in the negotiating mandates that are approved by cabinet. This allows the government of the day to develop specific policy objectives in response to evolving international circumstances.

Third, Parliament has the final say over the outcome of any international trade negotiations. Parliament ultimately decides whether or not to pass the legislation necessary to implement any free trade agreement. Additionally, moving forward, trade agreements will be subject to even more parliamentary oversight. The updated policy on tabling of treaties strengthens transparency of trade negotiations and provides additional opportunities for members of Parliament to review the objectives and economic merits of new free trade agreements. The new policy includes the tabling of a notice of intent to enter into negotiations towards a new FTA, objectives for negotiations and, finally, an economic impact assessment.

Fourth, amendment of the departmental act in the way in which C-216 proposes carries risks.

To me, this is a stunning statement, because none of this was said by department officials when they came back for Bill C-282. What happened? Why was there the sudden change?

When it was first here, this bill carried risks. When they came back to talk about it this time, suddenly there are no risks. There are no risks in their statement.

He continued:

By limiting Canada's ability to engage on these issues, this amendment-

This is really important.

—would invite negotiating partners to narrow the scope of their own potential commitments, taking issues off the table from the outset of negotiations, likely in the areas of commercial interest to Canada.

Let me add emphasis to that. He said "likely in the areas of commercial interest to Canada".

The last time officials came to this committee to talk about the bill, they were showing concerns. To me, they're showing grave concerns. It reminds me of that movie, *A Few Good Men*, when Jack Nicholson says, "Is there another kind?" These are grave concerns. They narrow possible outcomes, preclude certain compromises and make it harder to reach an agreement.

This paragraph in and of itself is a massive diversion from what government officials testified at committee on Bill C-282. If this were all, I'd be concerned. I'd probably very concerned, but guess what? It's not all they said, because they continued with their concerns. Their entire conversation with this committee was about their concerns, yet on Bill C-282, there was no discussion of concerns. There was absolutely none.

They may have had some concerns under questioning, but I'm going to continue. Doug Forsyth said:

Addressing the interest of any specific sector in the act would set a precedent that could lead to demands for additional amendments to reflect other foreign and trade policy objectives, including sectoral interests, further constraining the government's ability to negotiate and sign international trade agreements and, more generally, to manage Canada's international relations.

(1545)

This is a clarion call of concern by government officials. What they're actually saying to the committee is, "If we do this for one sector of the Canadian economy, how can we then say to another sector that they don't get to have similar protection?"

For example, I know the steel industry is facing incredible competition from steel in China. This is a huge problem for the steel industry. They also have extensive competition from the United States. What if the steel industry said we no longer want any country to be able to have steel come into Canada as part of our free trade agreement, because it's far too damaging to our sector? You did it for supply management, so why won't you do it for steel? You can imagine where that goes.

He went on to say:

Lastly, maintaining the nature of the departmental act unchanged does not affect the government's policy to defend the integrity of Canada's supply management system, nor the ability of negotiators to defend this position at the negotiating table

He's saying that supply management can be defended, as it always has been, at the negotiating table by the Government of Canada. He seems to be saying that this bill's not necessary. Again, this is very much in contrast with the information that was provided by government officials to the committee on Bill C-282.

He continued:

The government has made public commitments not to make further concessions on supply-managed products in future trade negotiations. In fact, Canada has been able to successfully conclude 15 trade agreements that cover 51 countries

while preserving Canada's supply management system, including its three pillars: production control, pricing mechanisms and import controls.

Most recently, the Canada-United Kingdom Trade Continuity Agreement fully protects Canada's dairy, poultry and egg sectors and provides no new incremental market access for cheese or any other supply-managed product.

I'm going to get back to the Canada-United Kingdom free trade agreement. That is also something that I think is going to be affected by this and by Bill C-282. It's something that we really haven't discussed in any great detail.

He then said:

Where new market access has been provided, specifically and exclusively in the Canada-European Union Comprehensive Economic and Trade Agreement, CETA; the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP; and the Canada-United States-Mexico Agreement, CUSMA, the access was deemed necessary to include an agreement that was in Canada's interest

That's similar to a response to a question I asked, which was that the only reason, effectively, that we were able to make those agreements was that there was some access to supply management.

He went on to say:

While new access was provided in those agreements, the supply management system and its three pillars were maintained. These outcomes were part of the overall balance of concessions through which Canada maintained preferential market access to the United States and secured new access to the European Union, Japan, Vietnam and other key markets.

In conclusion, while the spirit of Bill C-216 is consistent with the government's policy of defending the integrity of Canada's supply management system, amending the Department of Foreign Affairs, Trade and Development Act as proposed by the bill would change its nature and create risks.

That's really quite fascinating.

In conclusion, Mr. Fowler said in our study....

This is really shocking to me. It's shocking that a government official would come and make one statement on the exact same bill and then come and make another statement on this bill. I think that they should be back at this committee to answer for this contradiction. We should get to the bottom of why there is this contradiction.

• (1550)

The contradiction is this. In his remarks to this committee studying Bill C-282, he said the following:

In conclusion, Bill C-282 proposes to make the government's commitment to make no further market access commitments for supply-managed products into a legal requirement by amending the Department of Foreign Affairs, Trade and Development Act. This would strengthen the policy of defending the integrity of Canada's supply management system by enshrining it into law.

It is the exact opposite of what Mr. Fowler said in his statement on Bill C-216. Think about the implications of that for a moment. We have a senior government official who comes to the committee with a bill and outlines serious concerns. I'm going to talk more about that, because under questioning, he has even more concerns than in his statement. He then comes back to the committee, gives a statement and says the exact opposite. Nothing has changed. The bill is the same. Supply management is the same. Nothing has changed.

Was this gentleman put under political pressure to change the statement that was made so that it would be less controversial? This is deeply troubling.

To me, Madam Chair, I don't think it matters which party you're from or where you stand on this issue. Every parliamentarian around this table should be asking themselves why a government official would come to committee, give one version of concern about a bill and come back another time on effectively the exact same bill and say there's nothing to see here; the bill is great, and it will strengthen our defence of supply management.

You might say to yourself, well, you know, maybe he misspoke on Bill C-216. Maybe he got a little excited in his opening statement and misspoke. Unfortunately, that is not what happened, because under questioning, more and more and more concerns were raised that were not raised under Bill C-282.

Mr. Aboultaif asked him a question:

What I'm interested in is this. Although we've signed so many trade agreements without having to really jeopardize the supply management system and we have successfully done that throughout its history—and we have so many trade agreements that I don't have to mention it at the moment—the question is, are there any live examples out there that can advise us on what the consequences will be in the long run if Bill C-216 is implemented, since we know that we will lose that flexibility and we will be limiting our team of negotiators on the road when they try to achieve trade agreements with countries in the world?

I think it's very interesting to see what the response was to that question, so let's go to that:

Thank you for the question.

Madam Chair, I will start, and perhaps my colleagues will join in afterwards.

From a trade negotiation perspective, Canada has a long history in negotiating free trade agreements and has been at the forefront of negotiating free trade agreements for the last 25 or 30 years.

I would just note off the top that our supply management system, as you've indicated, has not stopped us or hampered us from concluding any trade agreements, but I think what is certainly possible is that the wording proposed for this bill will give trade negotiating partners pause with respect to wanting to engage with Canada.

The emphasis is added.

That's as contrasted with:

In conclusion, Bill C-282 proposes to make the government's commitment to make no further market access commitments for supply-managed products into a legal requirement by amending the Department of Foreign Affairs, Trade and Development Act. This would strengthen the policy of defending the integrity of Canada's supply management system by enshrining it into law.

• (1555)

Here, this bill will give trade negotiators pause with respect to wanting to engage with Canada. From a trade negotiator's perspective, when we start a negotiation, we like to start with the full possibility of access in the back of our minds, whether or not that's where we end up. It's rarely the case that you would see 100% access in any free trade agreement, but you'd like to at least start with that notion in mind.

As you go through a negotiation with your various partners, you find that interests are enunciated, elaborated and narrowed down. You understand what's in the art of the possible, but you like to start as wide as possible when you do launch those negotiations. When you start from a very narrow band of possibilities and then that gets narrowed, the scope of the negotiations and the scope of the agreement is very much smaller than what you would have seen otherwise.

If we were to end up with this bill as it is written—and I'm going to emphasize this—if we were to end up with this bill as it is written, I think very much we would start with a much smaller scope of negotiations with various partners. It wouldn't be unusual for them to say, "That's fine, Canada has taken these issues right out of play. We will take issues that are of interest to Canada out of play," and then you're talking about negotiating from a smaller pie, as it were.

Madam Chair, these are significant concerns. These are not small concerns that are being raised. This is not someone saying that this bill would strengthen the policy of defending the integrity of Canada's supply management system by enshrining it into law. In fact to me, this is saying almost the exact opposite. This is saying that this bill is highly problematic.

We can look at what else was said about this bill, the current versus what was said before.

On Bill C-282, we had a statement from Mr. Rosser, assistant deputy minister, market industry services branch, Department of Agriculture.

Honourable members, I appreciate the opportunity to appear before the Standing Committee on International Trade on its review of Bill C-282.

Agriculture and Agri-Food Canada, AAFC for short, works closely with and supports Global Affairs Canada in advancing Canada's free trade agenda, playing an important role in trade negotiations, particularly in areas related to market access for agricultural goods.

As said by my counterpart Mr. Fowler, the Government of Canada has had a long-standing policy to defend the integrity of Canada's supply management system for dairy products, poultry and eggs. This includes clear commitments made by the Prime Minister and the Minister of Agriculture and Agri-Food to not provide any new market access for supply-managed products in future trade agreements. The bill is consistent with this policy.

That is something I don't think anyone has disputed. We're all singing from the same hymn book in that sense.

Canada's supply-managed dairy, poultry and egg farmers are part of the backbone of rural communities across the country, generating almost \$13 billion in farm-gate sales in 2021, and creating over 100,000 direct jobs in production and processing activities across Canada. I absolutely agree with that statement. In my riding of Dufferin—Caledon, we have poultry, egg and dairy farms. I've had the pleasure to visit examples of all of those. I am particularly impressed with how our dairy farmers take care of their cows and with the quality product they are able to produce. I am 100% in support of supply management.

(1600)

He continued:

With respect to the market access provided to Canada's trade partners, it has only been provided in exceptional cases in regard to landmark trade agreements, such as the Agreement Establishing the World Trade Organization, or WTO, CETA, the CPTPP and CUSMA. While not taken lightly, these trade agreements are overwhelmingly in the interest of Canada and to the overall benefit of Canada's agricultural sector.

Furthermore, in the case of CUSMA it's important to remember that the original negotiating position in the United States was the full elimination of the supply management system. The outcome in CUSMA, while difficult and challenging, allows the supply management system to continue functioning with respect to its three pillars.

The Government of Canada is also fully and fairly compensating producers...with supply-managed commodities who have lost market share under the three agreements. As announced this past November, dairy, poultry and egg producers and processors are expected to share more than \$1.7 billion in direct payments and investment programs in response to the impacts related to CUSMA. This is in addition to the over \$3 billion in direct payments in investment programs for CETA and CPTPP. These programs will help drive innovation and growth in the supply-managed sectors.

In conclusion, the integrity of the supply management system has been successfully defended during multiple trade negotiations. The Government of Canada is working hard to ensure that the supply management system remains strong and that producers and processors operating in the system remain productive and sustainable.

Bill C-282 would protect these sectors from additional market access concessions in the context of future trade negotiations, and as such is fully consistent with existing policy.

Under Bill C-282, then, it would appear they are on the same page. There's nothing to see here. It's great. It's fully consistent with existing policy.

Let's go back to Bill C-216. Mr. Aaron Fowler, chief agricultural negotiator and director general, trade agreements and negotiations, Department of Agriculture and Agri-Food, responds to Mr. Aboultaif's question. Just so that we can all keep up with where we are, this was Mr. Aboultaif's question:

What I'm interested in is this. Although we've signed so many trade agreements without having to really jeopardize the supply management system and we have successfully done that throughout its history—and we have so many trade agreements that I don't have to mention it at the moment—the question is, are there any live examples out there that can advise us on what the consequences will be in the long run if Bill C-216 is implemented, since we know that we will lose that flexibility and we will be limiting our team of negotiators on the road when they try to achieve trade agreements with countries in the world?

The response was as follows:

Thank you very much. Thank you, Chair.

I would certainly agree with everything Doug has said so far and associate myself with his response.

That response, as we all know, is that there are grave concerns about this bill and the implications it will have with respect to negotiating trade agreements.

His response continued:

I believe the question was whether there are examples of similar measures being imposed by some of our trading partners around the world and what the consequences of those might be. I have to say I am not aware of any legislative prohibition on our trading partners' ability to discuss an issue.

This is interesting, because some members of this committee, when they were asking questions, were saying that other countries have things they won't negotiate. To me, that would appear to be an incorrect position. I don't think any other country in the world has a legislative prohibition on what you can negotiate in an international trade agreement.

• (1605)

The statement continued:

Were such a prohibition in place, I feel that depending on the level of commercial interest that Canada had in the matter that was covered by such a prohibition, we would use the exploratory stage of our trade negotiations to indicate that we see this as an important issue that needs to be discussed in the context of the negotiation.

Free trade agreements are really about changing the legislative and regulatory regime that our trading partners have in place in order to create commercial opportunities for Canadian exporters, so I suspect that were our interests sufficiently significant for us to want to discuss that issue in the negotiations, we would make that [very] clear at the exploratory stage and base our decision on whether to move forward in the negotiations on our partners' indication of their capacity to have discussions in that area.

On the specific question of whether there are examples I could point to, I have to say offhand that I can't think of any similar prohibitions that are in place.

Mr. Aboultaif then asked another question: "What would you see as the reaction of other sectors if something like Bill C-216 went forward? What would you see as the reaction as far as opportunities on the world stage...go?"

Mr. Forsyth said, "Do you mean reaction from Canadian stakeholders, or from—" and Mr. Aboultaif replied, "Yes, I mean Canadian stakeholders."

Mr. Forsyth said, "Honestly, I think if this did go forward, the reaction we would see would be other groups seeking to have their concerns, their issues, inserted into the departmental act as well."

What we're hearing very clearly here under Bill C-216, and perhaps not as clearly under Bill C-282, is that this bill is, in many ways, a Trojan Horse. There are grave concerns about what would happen with other sectors of the economy that felt they were vulnerable in a trade agreement. They might be saying that they think a member of Parliament should come forward with a bill that should say that in no future trade agreement.... There should be no access to pork into the Canadian market, because they feel they're losing too much market share.

That was a concern raised by department officials when we heard this in Bill C-216. It's not a concern that has been significantly raised this time.

There was another question for Mr. Forsyth. This was from Ms. Rachel Bendayan.

Sir, if I may follow up, I believe you mentioned in your introduction, and I have certainly heard from legal experts within government, that policy objectives are not normally found within the departmental act. This is not the usual instrument to include policy objectives like the one regarding supply management. Can you perhaps give us examples or let us know where these types of important policy objectives should be found, if not in this particular act?

Mr. Forsyth replied, as follows:

I think that assessment is correct. It would be unusual to find policy-prescriptive issues like this in a departmental act. I'm not aware of any departmental acts that include them

I think that where we see policy prescriptions like this is in the words enunciated from the government. It's [very] clear that this is a Government of Canada position, a policy position. You find it in speeches. You find it in departmental legislation, for example, at Agriculture and Agri-Food Canada, and you find it in various places like that. I think it would be unusual to put something like this within the context of the departmental act.

• (1610)

What we're seeing here from government officials, again, is this. We are seeing that, in conclusion, Bill C-282 would protect these sectors from additional market access concessions in the context of future trade negotiations. As such, it is fully consistent with existing policy.

I read through the entire statement that was made by Mr. Rosser. None of that raises even a scintilla of the concern that was being raised by government officials under Bill C-216. I'm yet again left with some significant consternation as to why there would be such a different view from government departments towards a bill—Bill C-216—that was, as far as I can tell, identical to the bill that is being put forward now.

It raises enormous questions. It raises questions that I believe this committee should dig into. It raises questions that we should absolutely as a committee be very interested in getting to the bottom of.

For my colleague, the parliamentary secretary, to suggest that everything has been heard that needs to be heard and that we should just move on to clause-by-clause in the face of this very contradictory evidence from department officials, really does not make a lot of sense. It gives me enormous concern about why there would be such a change in position and view about the bill, and not just that it has changed. It gives me concern as to which statements are the ones the committee should look at to say that this is what the department officials think. Do department officials believe what they said on Bill C-216, or do they believe what they said when they came and spoke on C-282?

I'm left confused. I'm left extraordinarily confused. I think other members of the committee should be confused as well. I think Liberal members of this committee should be confused. I think NDP members of this committee should be confused. I understand that Bloc Québécois members may be confused but aren't interested because it's a Bloc Québécois private member's bill, and they want it to be passed. I would feel the same way about one of my colleagues' bills—I would want to help that colleague get the bill passed—but I think the rest of us should be very concerned.

Mr. Dhaliwal had a question about Bill C-216:

My question is for Mr. Forsyth. He mentioned numerous times that there are some risks involved.

That's talking about his statement numerous times that there were risks involved. There was no mention of risks in the opening statement under Bill C-282.

One of them, he mentioned, is a narrow outcome. I would like to ask him to explain or elaborate on those risks and the potential impacts.

It's interesting that he asked a question about narrow outcomes, because when we had witnesses come last Thursday, the canola growers or the Canadian canola—I'm going to find it here—

Mr. Arif Virani: Madam Chair, could I raise a point of order, please?

The Chair: Mr. Seeback, hold on one second. Mr. Virani has a point of order.

What's your point of order, please?

● (1615)

Mr. Arif Virani: Madam Chair, it's on two points.

One, I believe Mr. Seeback is raising matters that relate to a bill that was studied in a previous session and are not germane to this particular bill. I would raise that for you in terms of relevance.

Also, I appreciate that he's entitled to speak for as long as he may like on his motion, but we have five officials who are sitting here. Out of courtesy to them, if he could perhaps indicate how long he might take, that might allow the time for these officials to get on with other pressing matters of government business that they otherwise might want to attend to.

The Chair: Thank you.

Yes, Mr. Genuis.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Madam Chair.

I just want to address the point of order raised by my colleague across the way and say, first off, that I'm grateful for the opportunity to sub at the trade committee. I don't think I've been here yet during this Parliament. I know that our trading relationships with countries around the world are extremely important, so I'm grateful for the opportunity to be a guest here today.

I work with Mr. Virani on the Canada-Tibet friendship group. It's a bit of a different format, but it's always good to be able to work with him.

On the particulars of the point of order that he raised, Madam Chair, first of all, I think it's important to just underline that there are no limitations in terms of whether you can refer to things that happened in the previous Parliament. The rules on what you can and can't refer to are fairly broad. Members may reference important precedents that come from previous Parliaments that involve other countries and use that information to help them inform and understand best what they're working on and what applies to the particulars of the case before the committee.

That it draws on a precedent from a previous Parliament, I don't think that fact alone could in any way be seen as providing a basis for making a determination with respect to the relevance of the issue being raised.

I think it's quite germane to look at that. If the text of the same bill was proposed as a bill in a previous Parliament, and if advice was received from officials in the context of that previous Parliament, it would seem most important. Certainly on the various committees I've been a part of, that has been a standard procedure, to try to refer to precedents on similar bills from previous Parliaments and other bills that may raise similar kinds of issues.

I think the points that were made were certainly valid and I think they're important. The arguments being made are important, but maybe they underline the need for that education to be shared with members across the way who may not fully appreciate or understand the relevance and significance of the issues being put forward.

In terms of the other point raised, I don't think, respectfully, that this is a matter of order. Questions of what content should or shouldn't be in the speech or who should be told what are not matters that would typically be thought of as being matters of order. Matters of order are those that are prescribed by the Standing Orders.

My colleague across the way is quite right to say.... I'll just refer to the Standing Orders here in terms of the rights of members as they relate to speaking on issues. I can think of Standing Order 116(2)(a), for example, which says:

Unless a time limit has been adopted by the committee or by the House, the Chair of a standing, special or legislative committee may not bring a debate to an end while there are members present who still wish to participate. A decision of the Chair in this regard may not be subject to an appeal to the committee.

Standing Order 116(2)(b) goes on to read:

A violation of paragraph (a) of this section may be brought to the attention of the Speaker by any member and the Speaker shall have the power to rule on the matter. If, in the opinion of the Speaker, such violation has occurred, the Speaker may order that all subsequent proceedings in relation to the said violation be nullified.

Those are the standing orders. I think, in fact, that's a relatively recent addition to the Standing Orders that was agreed on by the House. It was designed to protect the rights of members when it comes to these issues. Of course, members don't always exactly know the specific nature of the points they want to make, and there's no obligation to have pretimed or prewritten remarks in advance.

With all due respect, Mr. Virani, I think that the interventions are germane and they're in order. Certainly, the standing orders I have read, as well as others, provide important protections with respect to what a member can do. I don't have the standing order in front of me precisely, but there are other, clearer standing orders that provide for those rights.

I'll leave the points there, but I just wanted to provide that clarification in response to the points raised by my colleague and friend, Mr. Virani.

● (1620)

The Chair: Thank you for clarifying that.

Mr. Seeback, I'm going back to you, but before I do that....

I stopped in the middle of introducing the officials who are here for this clause-by-clause today.

We have, from the Department of Agriculture and Agri-Food, Tom Rosser, assistant deputy minister, market and industry services branch.

From the Department of Foreign Affairs, Trade and Development, we have Aaron Fowler, associate assistant deputy minister, trade policy and negotiations; Stacy-Paul Healy, deputy director, tariffs and market access law division; Pierre Marier, executive director, tariffs and goods market access; and Anna Kapellas, director, treaty law division.

Thank you for joining us today. Given the fact that officials are here to do clause-by-clause on Bill C-282, I have a long speaking list here, which tells me that we're not going to get to clause-by-clause.

Is it the will of the committee to allow our officials to go, and when we're at a point at which we're ready to get on with clause-by-clause, to invite them back? Is it okay with the committee if we allow the officials to leave?

Mr. Arif Virani: Madam Chair, if they could make sure that we could facilitate their virtual participation as early as today, then we would have no objection to that.

The Chair: Would it be possible for you to go back to your offices and connect virtually, in case we end up with an opportunity to move forward?

Mr. Arif Virani: In a fit of optimism, I would like that option to be available.

Mr. Garnett Genuis: I expect the will of the committee will be to hear from additional witnesses, Mr. Virani.

The Chair: It becomes very difficult, because they have to do the technical tests with our translators and all the rest of it. It's almost 4:30 now. There's another hour.

I have Mr. Genuis, Mr. Baldinelli, Mr. Virani, Mr. Carrie and Mr. Arya on my speaking list at the moment. That's where we are.

If the committee's in agreement, I will thank the witnesses very much. We apologize that we're not able to move forward. We don't want to consume too much more of your valuable time.

Mr. Virani.

Mr. Arif Virani: Just on this point, I'm very keen on being courteous with the time of the five officials, some of whom have actually been quoted in the context of the last 45 minutes, which I think is interesting. I hope the quotes are accurate, Mr. Rosser.

I also think it's important to note, for Canadians who are watching, that what we're having here is blatant obstruction from a party that is ostensibly in defence of supply management, preventing us from actually getting—

Mr. Garnett Genuis: This seems like a point of debate, not a point of order.

The Chair: Let's not get into a debate.

Mr. Arif Virani: I just want it to be clear for Canadians who are watching.

The Chair: Mr. Seeback has the floor.

I'm getting that it's okay with the committee members that if our witnesses wish to leave, they can leave.

Mr. Arif Virani: I would invite my Bloc and NDP colleagues to opine on this issue.

The Chair: Okay.

Mr. Savard-Tremblay, is it all right if the witnesses leave today? We're not going to get into clause-by-clause, by the looks of it.

[Translation]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Of course.

I want to extend our sincere apologies to the witnesses. Typically, we conduct ourselves more graciously. Well, actually, certain members of the committee are usually more gracious.

I have a message for the farmers who are—or will be—following today's proceedings: you know what you have to do now.

[English]

The Chair: Mr. Cannings.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): If it's clear from our Conservative colleagues that they have no intention of getting to clause-by-clause today, I would be very happy to invite the witnesses to leave and leave this to us.

The Chair: Thank you very much for being here. You have my apologies.

We'll go back to Mr. Seeback.

Mr. Kyle Seeback: Thank you very much, Madam Chair.

I always find it very interesting and curious when members from the Liberal Party say, when we're trying to do due diligence, debate or look into issues, that it's obstruction and that we're against things.

Nothing can be further from the truth. I will be visiting farms in my riding over the break, in particular dairy farmers, who I know work so hard. I doubt that the parliamentary secretary will be visiting dairy farmers in his riding over the break.

To go back to where I was, this was Mr. Dhaliwal's question. He said:

My question is for Mr. Forsyth. He mentioned numerous times that there are some risks involved. One of them, he mentioned, is a narrow outcome. I would like to ask him to explain or elaborate on those risks and the potential impacts.

• (1625)

Mr. Forsyth replied:

I'd be happy to elaborate on some of those risks and what would happen in a trade negotiation if one were to be negotiating with not the full basket of items on the table. I highlighted it in one of my earlier answers, but I'm happy to flag it again.

I think that as a trade negotiator you like to start the negotiation with as many items on the table as possible. It does potentially allow for trade-offs and allows for a broad discussion with your trading partner in order to understand what is within the art of the possible.

It is incumbent on us as trade negotiators to make sure that our trading partners understand our key defensive interests and what our red lines are and what things we cannot do. As I've said, throughout my negotiating career, it's been clear that concessions made in the supply management sector are red lines. That

is what was in my mandate for the Canada-UK TCA and that was what was respected.

If we were to start from the position that we would not be dealing with 100% of the items that we would negotiate on, it does risk having an agreement that's not necessarily completely beneficial to Canadian exporters and producers and it does risk being an agreement that does not necessarily provide the full economic benefits to Canada that one might have expected.

This is, to me, just an absolutely incredible paragraph. It sets out how deeply concerned Mr. Forsyth was with respect to Bill C-216, which is now effectively the exact same as Bill C-282, yet we did not get 10% of that concern when we were hearing from government officials when we were talking about Bill C-282.

The answer continued:

We have not faced that yet to date, but it is possible that if we were to go down the path provided in Bill C-216, that is in fact what we would do. It would be quite likely that our trading partners would take off the table something of interest to Canadian exporters and producers, and then we would be faced with the situation of negotiating an agreement that might not be as beneficial to Canada as it could be.

Here we are today, talking about what's been studied with respect to Bill C-282. What we've talked about is that we need additional meetings. Why do we need additional meetings? Well, for one thing, we did not get evidence like this during the study of Bill C-282. We got nothing like this from government officials.

What is something that we proposed? We proposed that we should have some trade experts come to the committee to talk about this. That's what we're asking for. We've been asking for this for quite some time.

Madam Chair, if you recall, I had a similar motion with respect to this. The committee meeting was adjourned, and the committee did not recognize the need to have additional meetings as a result of that adjournment.

Nothing, quite frankly, could be further from the truth, because—and this is the really critical part of that statement—we would be faced with the situation of "negotiating an agreement that might not be as beneficial to Canada as it could be".

That's the effect, from our government officials with regard to Bill C-216, which is identical to Bill C-282, yet we're moving through here on Bill C-282 without seemingly any consideration for this or any desire to have a more in-depth conversation with, perhaps, trade experts.

We certainly have Mr. Verheul on our list of witnesses. He would be an expert and someone who could give us very clear guidance on how serious an impact this would have on our negotiating positions.

• (1630)

He went on to say, "Maybe I'll turn to my colleague from Agriculture Canada to see if he'd like to add anything." Mr. Fowler then went on to say, "Thank you very much. No, I fully agree...." He fully agrees.

We can ask what he fully agrees with. Well, I would say that he fully agrees that if we were to go down the path provided in Bill C-216, if that is in fact what we would do, it is quite likely that our trading partners would take off the table something of interest to Canada, and we would be faced with a situation of negotiating an agreement that might not be as beneficial to Canada as it could be. Under Bill C-216, we have very clear agreement from government officials about the significant consequences that this bill could have. Well, actually, I think it's what they think the consequences of the bill would be if it were passed, and we got just a modicum of that concern when they came back to talk about Bill C-282. Again, this gives me grave concerns, grave concerns about what we should actually believe.

Quite frankly, the only way to get an answer to that is if we have these gentlemen come back to committee and give them pointed questions with respect to the evidence they gave under Bill C-216 and the evidence they gave under Bill C-282 and have them answer those questions. That's the only way we will get to the bottom of this inconsistency.

The rest of Mr. Fowler's answer is as follows:

No, I fully agree...trade negotiation has reached what we call a balance of commitments or a balance of concessions or a commensurate level of ambition with your trading partner.

That's an important phrase: "level of ambition with your trading partner."

He continued:

To the extent there are issues that are of interest...that we're not in a position to discuss, the reasonable conclusion would be that the overall level of ambition of the agreement would necessarily be diminished as a result of that position.

They are very clearly stating that not only is it going to be challenging from a negotiating perspective, but the level of ambition of the agreement would be diminished, which I think is interesting, because when we had Mr. Troy Sherman come to talk about this at our committee—Mr. Sherman is from the Canola Council of Canada—this is what he had to say:

My name is Troy Sherman, and I am the director of government relations for the Canola Council of Canada. The council encompasses all links in the canola value chain. Our members include canola growers, life science companies, grain handlers, exporters, processors and others. Our shared goal is [to ensure] the industry's continued growth and success, and [to do this] by meeting global demand for canola and canola-based products, which include food, feed and fuel.

Canola's success is Canada's success. Our industry represents almost \$30 billion in economic activity annually, 207,000 jobs across the country, \$12 billion in wages and the largest share of farm cash receipts in the country. With over 90% of Canadian canola exported to as many as 50 different markets, the canola industry depends on ambitious and fair science- and rules-based trade.

For many years, we have worked with Canada's trade negotiators to make sure that Canada and Canadian canola are well positioned to help feed the world. Central to these trade negotiations is the foundational principle that negotiators should be empowered to reach the best agreements for Canadians and the Canadian economy. Negotiators have been able to achieve this by availing themselves of all the tools in our trade-negotiating tool box, working closely with industry, academics and civil society to ensure [that] Canada's trade agreements achieve what is in our national interest.

This is what is being said to achieve the national interests, and we go back to what Mr. Forsyth said, which was that "it does risk being an agreement that does not necessarily provide the full economic benefits to Canada that one might have expected."

• (1635)

Mr. Sherman went on to say this:

Bill C-282 risks undermining Canada's reputation as a trading nation and, consequently, [undermining] our national interest [in] trade negotiations. [Bill C-282] does this in a number of ways, including putting in place legislative prohibitions on what our negotiators [are able to] discuss at the negotiation table and diminishing Canada's desirability as a market with which to pursue trade agreements.

When you talk about the level of ambition, Mr. Sherman was saying exactly the same thing: "diminishing Canada's desirability as a market with which to pursue trade agreements."

He went on:

On the first point, Bill C-282 [is proposing to prohibit] what Canada's trade negotiators can discuss at the negotiation table. To the best of our knowledge, and as noted by officials at Global Affairs Canada, no other country legislatively prohibits negotiators from discussing certain topics during trade negotiations. Canada would be an outlier, and needlessly so.

In [March] 2021, an official from Global Affairs appeared before this very committee on Bill C-216 [a] predecessor [to Bill C-282]. At the time, they stated the following, "Canada has been able to successfully conclude 15 trade agreements that cover 51 countries while preserving Canada's supply management system".

So Mr. Sherman was also aware of the evidence that Government of Canada officials had given under Bill C-216. He went on:

The official went on to say:

If we were to start from the position that we would not be dealing with 100% of the items that we would negotiate on, it does risk having an agreement that's not necessarily completely beneficial to Canadian exporters and producers and it does risk being an agreement that does not necessarily provide the full economic benefits to Canada that one might have expected.

He said:

What was true when [that] was said two years ago remains true today. Bill C-282 is a solution in search of a problem and...risks undermining other industries and sectors of the economy, including Canadian canola. Passing Bill C-282 will set a dangerous precedent for additional amendments to the Department of Foreign Affairs, Trade and Development Act, [in order] to either protect certain industries or mandate restrictive language in trade agreements in specific areas of interest.

Regarding the second challenge mentioned, Bill C-282 will significantly diminish Canada's desirability as a country with which to pursue trade negotiations.

Let's go back. Canola represents \$30 billion in economic activity for this country annually, 207,000 jobs across the country. Think about that for a second: 207,000 jobs and \$12 billion in wages. They are very deeply concerned with this bill.

I've lost my spot here. Mr. Sherman continued:

By legislating that our negotiators are not able to include supply management as part of the negotiations, Canada is significantly shrinking the trade prospect pie and potentially forcing Canadian concessions in other areas of interest. If Canada is viewed as an obstacle for new entrants to plurilateral agreements, or less attractive to engage with—given our legislated red line on supply management—our trading partners may question the value of having Canada at the negotiation table.

To conclude, Bill C-282 represents a significant departure from Canada's principled, fair and rules-based...trade posture. No industry, sector or issue should be off the table during trade negotiations. Our trade negotiators have delivered tangible results and benefits for the Canadian economy and industries, including canola.

(1640)

Mr. Sherman is right on point with what Mr. Fowler said with respect to Bill C-216, that the reasonable conclusion would be that the overall level of ambition of the agreement would be diminished as a result of that position, that position being that we take a certain sector of the Canadian economy off the trade agenda.

Mr. Dhaliwal then asked—and this I think is quite interesting, because this also never came out in the discussion with government officials with respect to Bill C-282. He said:

Madam Chair, it's also mentioned that in introducing specific policy objectives, the proposed amendments wouldn't fundamentally change the nature of the departmental act. I would like to hear an elaboration on that particular issue as well, please.

Mr. Forsyth then said this:

Thank you, Madam Chair.

If you look at the act itself, it...is an organizational statute that sets out in general terms what the powers and duties and functions are for...ministers. It does not have any specific policies related to what the Minister of International Trade, the Minister of International Development or the Minister of Foreign Affairs ought to be doing. It doesn't elaborate on any government policies of the day. It's a general act that sets out the terms and conditions, if you will, for the department and for the ministers and the deputy ministers. It's not policy—

This is the danger with putting something like this within that act. You are actually putting policy into the act. What happens if others decide that we should be putting policy, not just trade, into the act, or perhaps putting foreign policy into the act or international development policy into the act? It sets a terrible, terrible precedent, something that we should absolutely have departmental officials back to talk about, especially considering the fact that their testimony seems so starkly different from one committee appearance to the other.

Mr. Lobb then had this question:

The first question I have is for Mr. Forsyth.

Again, thank you for appearing before our committee. I think you've been in the lead for most appearances since I've been on the committee—maybe you and the minister—so congratulations on being available.

When we say that we can't ever say we're not going to put certain items forward at the beginning of the trade negotiation, I understand the sentiment, but I'm curious that when we were doing the USMCA deal, softwood lumber never made its way on there and buy America really never got resolved either.

How does that happen?

Mr. Forsyth said:

I wasn't directly involved with the broader Canada-U.S.-Mexico negotiation at the time, but my understanding is that we certainly did start with the broadest possible negotiating objectives, including trying to deal with softwood lumber in some way, shape or form, as well as trying to deal with trying to negotiate a government procurement chapter in relation to the buy America provisions. It was clear, as we started to narrow down the issues, that the United States would not engage on either of those issues, so they were put aside...

Imagine if, in six years, as we heard from the committee, we looked at the CUSMA agreement and this piece of legislation was in place. What would the effect of that be with respect to that rene-

gotiation? I think that's something that we have to get some expert advice on.

• (1645)

The other issue is this. It's interesting that there was an attempt to discuss softwood lumber in the renegotiation of CUSMA. Right now, the Minister of International Trade is trying to resolve the softwood lumber dispute. It would be interesting to see what effect Bill C-282 would have on her ability to negotiate softwood lumber. We know that the United States has complaints right now with respect to how the TRQs are allocated within CUSMA for dairy. Would this bill be an aggravating circumstance in trying to negotiate the resolution of the softwood lumber dispute, a dispute that now has collected over \$8 billion in duties?

Based on the last softwood lumber settlement, Canada would be entitled to \$6 billion of those duties being returned. I can only imagine what the Canadian softwood lumber industry could do with \$6 billion in improvements, in machinery and equipment and perhaps the ability to export more to the United States.

Again, these are very serious questions with respect to the implications of this bill. Therefore, this is something that we absolutely need to have more meetings to discuss, because we quite frankly do not have the answers to any of that. We can go back to what we heard from department officials and what Mr. Arya asked Mr. Fowler:

Mr. Fowler, you indicated rightly that without this bill, Canada has been able to limit access and protect the supply management that we have today.

Why do we need this bill at all?

He said:

I am quite certain I am not the person to ask that question of, Madam Chair.

This is interesting, because under Bill C-216 they seemed to suggest that Bill C-216 is not necessary at all, and Bill C-216 is the exact same bill as Bill C-282.

We have to ask ourselves why, when they came to committee the first time, they suggested that the bill was not really necessary, but this time when they come back and they were asked a direct question—do you think the bill is necessary?—they decided not to answer. It's a bit of a head-scratcher, isn't it? The first time: We don't think this bill is necessary. This time: I don't think I'm the right person to answer this question.

That really gives me pause. That says to me that something has happened, and a witness who answered a question one time now won't answer a question another time. This is a very head-scratching situation.

Mr. Arya tried again:

Okay, I'll ask this one.

If this bill is passed...you are going to say that it will not affect you in any way. Is there no constraint on you at all in negotiating any new agreement?

He got this response:

I think it would be disingenuous of me to suggest that a piece of legislation that's before the Canadian Parliament would have no impact. I believe the intent of the bill is to have an impact. My conclusion is that it will have an impact.

I can't speculate on precisely what that impact will be, because I don't know who [we'll] be negotiating with in the future or what their interests would be in the context of those negotiations.

Now, that is a very interesting way to say, "I can't speculate on what the impact would be." It's interesting, because at the last committee hearing, Mr. Forsyth said this:

If we were to end up with this bill as it is written, I think very much that we would start with a much smaller scope of negotiations with various partners. It wouldn't be unusual for them to say, "That's fine. Canada has taken these issues right out of play. We will take issues that are of interest to Canada...out of play." Then you're talking about negotiating from a smaller pie, as it were.

(1650)

Here, on Bill C-282, it's "I can't speculate on...what [the] impact would be." It would seem to me that when Bill C-216 was being studied at committee, our department officials had a very good idea of what the impact would be, but somehow, in some strange way, they suddenly didn't think they could anticipate what the impact would be.

This is another example of why we need additional meetings. This is another example of why department and government officials need to come back to this committee and explain exactly what has changed. Why have their views changed? Why are they saying different things?

I'm going to go on with this a little more, because Mr. Arya was quite persistent in his questions. I suspect he perhaps saw some of the previous evidence that was given by department officials and was trying to get some answers. Mr. Arya said:

You are stating that your hands would have been tied, sort of, if this bill had been there.

Coming back to the CUSMA, the next president of the United States might tank this again and seek to renegotiate.

If this bill passes, what will Canada's position be in those negotiations?

I would think Mr. Fowler would have said, based on what was said by the Government of Canada under Bill C-216, that this would be difficult; this would tie our hands; this would narrow the scope of our ability to negotiate. Unfortunately, that's not what he said.

He said:

I believe, Madam Chair, that the position would, by necessity, be consistent with what is set out in the piece of legislation that is before the committee. That is to say that Canadian negotiators could advance no additional market access in these sectors, nor could the government of the day accept to make such concessions.

This is much less forthcoming an answer to a question than what we saw when Bill C-216 was here at this committee, and again, it is an identical bill.

Mr. Arya is a determined man. He wasn't prepared to let that go, so he asked another question:

My concern is that it will affect negotiating an overall trade agreement with the United States and Mexico with terms like the current one, which are favourable to Canada.

Finally Mr. Fowler admitted, "It would have an impact on these negotiations. I think it—"

Mr. Arya said, "Would it be a negative impact?"

Mr. Fowler said:

Given the United States' interest in the dairy sector in particular in Canada, I think an inability to discuss those issues would make it more difficult to reach a conclusion.

Again, this answer is very hedgy, very hedgy, not the very clear declarations that Mr. Fowler was giving in the previous study of this bill. I find it, again, enormously challenging for us, as parliamentarians, to be at this committee and to say, let's rush to clause-by-clause; let's just get it done. We have completely inconsistent statements from our government officials as to what the effect would be.

We know, for example, that just for the canola sector, Mr. Sherman talked about \$30 billion in economic activity, \$12 billion in wages, and the largest share of farm cash receipts in the country. They are extraordinarily concerned about this bill. They believe it is going to have an extremely detrimental impact on future trade negotiations and a detrimental impact on their ability to export products. They are a major exporter, and they provide \$12 billion in wages to Canadian families from coast to coast.

(1655)

We know how difficult it is to make ends meet right now. I suspect that if you don't have a job, it's going to be much, much more difficult than that.

Mr. Arya then said:

There will be a negative impact.

The Canadian Agri-Food Trade Alliance, which represents 90% of Canadian farmers, producers, food manufacturers and agri-food businesses that depend on trade, says it strongly oppose[s] Bill C-282. It stated, "This legislation creates a dangerous precedent and diminishes Canada as a free trade partner."

Do you agree with this statement?

Again, this is where it gets interesting, because the answer we get here is very different from the answer we got before. I'll start with the answer to Mr. Arya's question:

I am familiar with this statement, the views of the Canadian Agri-Food Trade Alliance and its concerns. I have discussed these issues with the [trade] alliance in the past.

I think it is the job of Canadian negotiators to ensure that we operate to the maximum advantage of Canadian industry stakeholders, irrespective of the mandate and operating environment in which we...work. We will continue to do that.

The statement is talking about how it's a dangerous precedent. Mr. Arya is asking Mr. Fowler if he agrees with this, and Mr. Fowler is once again very, very careful with his answer. I mean, he's so careful that he almost doesn't say anything.

If we go back to Bill C-216, though, Mr. Forsyth was asked this question and gave this reply:

I'd be happy to elaborate on some of those risks and what would happen in a trade negotiation if one were to be negotiating with not the full basket of items on the table. I highlighted it in one of my earlier answers, but I'm happy to flag it again.

Mr. Forsyth was very clear and forthcoming under questioning as to the impact of Bill C-216—very clear. All the department officials who came were very clear on Bill C-216. Mr. Forsyth was very clear in the answers, and Mr. Fowler was also very clear in answers.

I'll go back to Mr. Forsyth:

If we were to start from the position that we would not be dealing with 100% of the items that we would negotiate on, it does risk having an agreement that's not necessarily completely beneficial to Canadian exporters and producers and it does risk being an agreement that does not necessarily provide the full economic benefits to Canada that one might have expected.

We have not faced that yet to date, but it is possible that if we were to go down the path provided in Bill C-216, that is in fact what we would do. It would be quite likely that our trading partners would take off the table something of interest to Canadian exporters and producers, and then we would be faced with the situation of negotiating an agreement that might not be as beneficial to Canada as it could be

Then he turned it over to his colleague from Agriculture Canada, Mr. Fowler, who said this:

Thank you very much.

No, I fully agree....

Let's go back to Mr. Arya's question:

The Canadian Agri-Food Trade Alliance, which represents 90% of Canadian farmers, producers, food manufacturers and agri-food businesses that depend on trade, says it strongly oppose[s] Bill C-282. It stated, "This legislation creates a dangerous precedent and diminishes Canada as a free trade partner."

Do you agree with this statement?

A very similar question was asked under Bill C-216. I just gave you part of that answer, where Mr. Fowler was saying he agreed that this would have a serious...that it would diminish Canada as a free trade partner, but somehow, under Bill C-282, this is the answer we get:

● (1700)

I'm familiar with this statement.

Okay. That's great.

I have discussed these issues with the alliance....

I think it is the job of Canadian negotiators to ensure that we operate to the maximum advantage of...industry stakeholders, irrespective of the mandate and operating environment in which we...work. We will continue to do that.

It's a completely different answer. It's almost a complete evasion of the question, and we, as a committee, are just supposed to say, "Well, there's nothing to see here, because what they said under Bill C-282 is all that we should be concerned about." They said something almost diametrically opposed last time. As parliamentarians, we should just move on. We're busy. Let's not have an extra meeting or two to try to get to the bottom of it. It's only \$12 billion of salaries for Canadian workers that are at risk, so let's move on. There's nothing to see here.

To me, these are incredibly concerning issues. The government officials say that they understand the concerns, and, sort of, that's it,

but they're not going to acknowledge them. That's where we are under Bill C-282. Under Bill C-216 is it very, very different, and I find that, Madam Chair, to be deeply and extraordinarily challenging, something that I am very unhappy with, and something, quite frankly, it really wouldn't be too hard for this committee to get to the bottom of. We need a few extra meetings.

My motion talks about one additional meeting to invite departmental officials back prior to clause-by-clause, not only because we heard such fearful testimony on other aspects of the Canadian economy but also, I think, because perhaps departmental officials would like to clear up how their statements seem to be wildly inconsistent. That's my perspective.

I was a litigation lawyer for over a decade. When you see statements that are wildly inconsistent, you think you have to get to the bottom of them. If you don't, you don't actually know where the truth lies.

I think that's reason number one that we should be looking at this. We need the department officials to come back. We need to ask them questions similar to the questions I've asked today. Everyone on this committee should want that and should want to demand the answers.

That's what I have to say with respect to that, but the other issue is this

Madam Chair, you had a question on where I was.

That was the first point I wanted to make with respect to this motion. I have four points in total, and I'm going to move to my second point now, which is the fact that we need additional stakeholders to come to speak to this.

We have had so many people come to talk about this and raise concerns. One of the ones I thought were quite powerful and we really didn't get much information on, because of, again, the limited amount of time we had at committee to study this, was Mr. Joe Dal Ferro, the chair of the International Cheese Council of Canada.

He was talking about his association:

The ICCC was founded in 1976. We are an association of small and mediumsized cheese importers and their suppliers. Our members are Canadian-based importers of cheese. Our associate members include cheese producers and processors from various countries that have international trade agreements with Canada.

It was actually Mr. Cannings who had some very interesting questions for them to try to understand what they were talking about. It is a complex issue, and I don't think in a five-minute intervention we're able to get to the bottom of it.

• (1705)

He stated:

The ICCC has coexisted with Canada's supply-managed dairy sector for over four decades and accepts the rationale underlying Canada's supply management system.

They are also supporters of supply management. They are not advocating for its dismantling.

He continued:

Rather, we are continuing to work with the government to ensure that its TRQ allocation and administration system respects our trade commitments in the dairy sector. Moreover, many of our members, including my company, are proud to be distributors of domestic cheeses [all] across...Canada.

I am here today to offer the committee several compelling reasons why Bill C-282 should not be supported by parliamentarians.

First, parliamentarians must...consider the significant negative financial impacts...this bill will have on the many Canadian small to [mid]-sized businesses that import cheese. The future for Canadian importers of cheese is already uncertain. This bill is only adding to the unpredictability. The unknown outcome of Global Affairs' TRQ phase II review—which initially started in 2019—is creating ambiguity and inhibiting business planning. Moreover, it may require importers to significantly change their business methods and model if the new quota policy is unfavourable to our industry.

If Bill C-282 becomes law, it risks obstructing even the possibility of addressing the market access requested by the U.K. as part of the ongoing bilateral negotiations. If the U.K. is forced to settle for a portion of the WTO non-EU quota, Canadian importers will be limited to exclusively using this method...to import British cheeses.

Now, this is the important part. He went on to say, "This pool is already fully utilized..."

What is effectively being said by this gentleman is that if Bill C-282 becomes law.... The U.K. left its quota in the EU when Brexit happened. Its quota was left with the EU. It has some quota now through the transitional provisions as we're negotiating the FTA, but if Bill C-282 passes, then there can be no additional dairy access granted to the U.K.

This bill is happening right in the middle of trade negotiations. Our negotiators are there, trying to negotiate a deal, and hanging over their head is the fact that this bill could pass and completely upheave the negotiations, because maybe there's going to be some dairy access for the U.K. We know they want it, but if this bill passes, there's none.

Imagine you're the trade negotiator there, and you think you have a deal—you're very close. Boom, Bill C-282 comes in, and all of a sudden that part of the deal you've made is no longer valid, because you're in contravention of a piece of legislation. That is the risk of doing this.

I was a lawyer, but I am not an international trade lawyer. We do have someone or some people who could come to this committee and give us some guidance on this. Mr. Verheul would be fantastic for that. Mr. Verheul could be asked, "If you're in the middle of a negotiation and someone passes a piece of legislation that takes a segment of that negotiation off the table, how would that affect your negotiation or your ability to negotiate?"

As a lawyer, I know. I had to negotiate things all the time, and as part of the negotiating process, you're building good faith with your counterpart. You're building good faith and trust as you move for-

ward in trying to negotiate something. If you have come to a decision whereby you're saying that maybe you're going to have to find a way to give the U.K. 0.05% or something like that—I'm just making up a number—and you know that then you're going to have agreement on all these other things, but a piece of legislation comes in and says, no, that's off the table, how are you going to continue to work forward in good faith? It's going to absolutely affect the good faith of the negotiation.

The other thing is this, Madam Chair: Is the threat of Bill C-282 hanging over our negotiators' heads right now as they try to negotiate the FTA with the U.K., because they feel they have to rush the FTA to get it done before this bill passes?

(1710)

Let's think about the consequence of that. If you're rushing to conclude an FTA because of fear of this piece of legislation, you might actually give away more than you'd planned to because you had to get it done quickly, which is a really interesting thing as we're talking about Canada-U.K. and what's going on.

In a March 9 article in a U.K. newspaper, there was bragging: "I am hearing that the volumes on beef are low, and that in return they have also got some dairy access which makes it a more reciprocal and balanced agreement." That is someone who is involved or who has knowledge of the Canada-U.K. FTA negotiation.

So there's a possibility that this bill in and of itself is causing our negotiators to rush to get a deal, and in so doing may in fact do more harm to the supply management sector in this country than would have happened, because our negotiators are under pressure to get this done before they can.

The international cheese association said:

This pool is already fully utilized with cheeses from the U.S.—

That's the WTO quota.

—New Zealand, Switzerland and Norway, among others. Otherwise, they will find themselves faced with three options, all of which will result in financial harm to Canadian businesses.

These are the three unappealing options. The first is ceasing to import U.K. cheese products altogether in Canada, meaning that many Canadians' beloved British cheeses could be gone forever. The second is substituting some of their imports from other non-EU countries with imports from the U.K., ensuring a shortage of available cheeses.... Third...importing U.K. cheese with the prohibitive 245% tariff.

Imagine that—a 245% tariff. This is a government that talks about how it's there for small business. It talks about it all the time, about how important small business is. Here we have the International Cheese Council of Canada saying that this could have a devastating impact on small businesses because of their inability to import cheese. They came; they gave their evidence, and they gave their significant concerns.

Madam Chair, they were so concerned that they actually submitted a brief after they appeared. That is not always how it goes. They often submit briefs before they appear. They were so concerned that they decided to actually put a submission in. This is something, again, that I think we should be studying, and studying closely. It talks about this:

C-282: Potential Impacts on Canada-UK Trade

If C-282 passes, the many small to mid-sized businesses that import cheese from the UK will be at a distinct disadvantage.

As a result of Brexit, the UK has ceased to be entitled to the market access achieved by the European Union (EU) as part of CETA.

That's what I was saying. The U.K. left its market access in the EU through Brexit. It was an unintended consequence, I'm sure.

In December 2020, the UK and Canada agreed to a 3-year transition period during which the UK will continue to have access to the WTO cheese TRQ EU pool, despite the UK having become a non-EU country.

I think that's what they were trying to explain when Mr. Cannings was asking questions. The UK is getting some WTO access through the EU pool, but this is a transitional provision, and the IC-CC goes on to say this:

• (1715)

Unfortunately, the post-2023 future for Canada's importers of UK cheese has never been more uncertain—and the prospect of Bill C-282 passing would make the resolution of this problem even more challenging.

The reason for this is that, at it stands, after 2023, UK cheese products will need to be brought into the Canadian market through the WTO TRQ non-EU pool—

The U.K. had some access under the WTO TRQ pool. Afterwards, they will not—after 2023—because the agreement extends only until 2023, so then they go to the WTO TRQ non-EU pool, and this is where the problem is. It's:

—a pool which already has a utilisation rate of above 97%.

That pool is full. British cheese will not really get into Canada unless it's under those scenarios that I was talking about, which would include a 245% tariff. That would drive that cheese out of the marketplace.

Moreover, if Bill C-282 becomes law, it will obstruct even the possibility of addressing the access requested by the UK. The UK would be forced to settle for a portion of the WTO TRQ non-EU pool...with no modification in overall quota amount despite the addition of the UK, a significant cheese-producing member. The result is that our Members—i.e., Canadian importers—will also be limited to exclusively using the WTO TRQ non-EU pool to import UK cheese products. Otherwise, they will find themselves faced with the following three unappealing options.

Those are the options they mentioned in their statement to this committee, all of which are very unappealing, and all of which, they say, will result in financial harm to Canadian businesses.

These are small businesses, Madam Chair. They are small businesses. They are, most often, mom-and-pop shops. They're the ones we should be trying to find a way to help, to protect. The govern-

ment should be very concerned about this. The government should be listening to witnesses to hear what the impact of this is going to be.

Instead, this government, this committee, seems to want to just say, "We've heard enough. We don't care. We're sorry, you cheese importers, but we just don't care because we're passing this bill regardless of your concerns," without actually even fleshing out their concerns, because when someone comes and gives a five-minute opening statement and gets one five-minute Q and A, it's incredibly difficult to actually explain the severity of the problem and how serious the problem is.

I've had a bit of time today to go into some of the problems, and I'm not even going into depth on many of these things. I'm just scratching the surface to try to raise these issues, to try to convince my colleagues that more meetings will help this committee make a good decision and help this committee find a way for this bill to be a winner for everyone. That's really what we want. All of us want that. Despite what the parliamentary secretary will say about not supporting supply management, I am a strong supporter of supply management.

A gentleman who owns a dairy farm came up, when the dairy farmers were here on their lobby day on the Hill, and thanked me for all the hard work I do. He thanked me for coming to visit his farm to talk to him, to talk to his family and understand the challenges they have. I understand those challenges. I support supply management. I also support the Canadian economy. I support other industries and sectors across the country, and those sectors have voiced their concerns with this bill.

When we asked the sponsor of the bill if he had taken the time to consult other industries and other sectors of the Canadian economy, he basically said that he had not, because he didn't think it was necessary.

• (1720)

I think what we're finding at committee is that consultation would have perhaps served this committee well, because we're hearing more and more from other industries in this country about how concerned they are.

I had an opportunity to talk about this bill with some members of the automotive sector when President Biden was here to visit. They were unaware of the bill. As many of us know, auto is a huge part of the Canadian economy. When I talked to them about how this bill would mean supply management is off the table when negotiating trade deals, they were quite concerned. They were surprised they had not been consulted. They were surprised at the potential impact to them, and this is part of the problem. This is why I am saying we need more meetings.

I want to get back to the concerns of the International Cheese Council of Canada, because they are small businesses. They are not able to hire expensive lobbyists to come and try to convince the government of the damage this bill would do to them, so they're relying on us. They're relying on members of Parliament to take the time to listen to their concerns, hear their concerns and deliberate on those concerns.

Again, we have not deliberated on those concerns. The meetings were fast. We crammed in a lot of witnesses on every single panel, so we weren't able to get deep, in-depth answers. We still have not had anyone who is an expert in trade come and testify, other than department officials, and I outlined some of the concerns I have with the evidence they gave this time, as opposed to before.

Again, I'll go back to the International Cheese Council of Canada. They say:

As a result of this unfortunate situation-

I agree. They're just a small player in this, but they're going to be deeply affected.

—Canadian businesses will be unfairly penalized. Not only will they be prevented from generating market growth, but their ability to import cheese products from the UK at an affordable price will be severely constrained: they will lose business. Ultimately, Canadian customers [will] also suffer, as they will face either reduced availability for British cheeses, or the UK cheeses on the grocery [store] shelves will be priced significantly higher.

When they say "significantly higher"—I want to go back to that—they will end up with a 245.5% tariff. I was saying 245%, but it's actually 245.5%.

None of these scenarios deliver an improved outcome for Canadians

Meanwhile, it should be noted that European exporters will be provided "a Brexit windfall" after 2023 when they will presumably be able to access higher quantities since there will be one less European Union state drawing from quota accessible by EU states (i.e., the WTO TRQ EU pool and the CETA [non-pool]).

It is worth keeping in mind that senior members of the U.K. government have expressed strong interest in including cheese in the future Canada-UK FTA. The passage of C-282, which would prevent addressing such issues in the Canada-UK agreement, would certainly irritate our valued trading partner and most likely constrain Canada's ability to reach a broad deal that leaves both parties satisfied.

This exactly dovetails with the concern I just raised. We are actually in the middle of negotiating a Canada-U.K. FTA, and we know they want some cheese access. We also know that, sometimes, very difficult decisions have to be made for the benefit of the country. Canada has absolutely successfully defended supply management through many FTAs.

When I was asking my questions of department officials, I wanted to talk about this. I asked about how everyone says they are prepared to defend supply management. I asked Mr. Fowler this:

• (1725)

I think one of the things you said in your testimony, and I don't have it all, is that the concessions made in supply management allowed Canada to conclude deals that are in the overall economic best interest of Canada.

I know this is hard, but if we went back in time and we didn't have access—if supply management was off the table and this bill existed and we were renegotiating CUSMA—how difficult would that renegotiation have been?

Mr. Fowler said:

It's a difficult question to answer and it requires me to speculate, which I don't like to do when I'm sitting in this chair—

So I said, "In your experience", and he continued:

—but as the lead agriculture negotiator at the conclusion of those negotiations, it is my opinion that there was no deal that did not include market access commitments for dairy.

Okay, so we get back to the Canada-U.K. FTA. They're our thirdlargest trading partner, and we're right now operating under transitional provisions from the Canada-EU.... They very clearly want access with British cheese. This bill would prevent that. We just heard that "there was no deal that did not include market access commitments for dairy" in CUSMA. Are we sitting here today with the knowledge and wisdom amongst us that we can still get a deal done with the U.K. if there's no access for British cheese?

There are two problems here.

Number one, there's the problem with what we heard from the International Cheese Council of Canada and how damaging this would be to the economic interests of all those small businesses—small businesses that we, as parliamentarians, should be looking out for and looking to support.

The second problem, of course, is that this may prevent an FTA from actually happening, and that would be enormously challenging. Sometimes negotiators.... They all say they defend supply management. Conservative governments have done that at the negotiating table. Liberal governments have done that at the negotiating table, and I suspect a hypothetical NDP government would do the same thing. However, if you're going to get a deal, you sometimes have to make really difficult choices, and I know this as a lawyer from when I was in mediations and negotiations. Settlements are tough. I used to always say to my clients, "If you walk out of a mediation or a settlement discussion a little bit unhappy, you know you've probably gotten the right deal; everyone should be a little unhappy in a mediation."

I think the same thing happens when you're negotiating a free trade agreement. There are things that I'm sure we're unhappy about in CUSMA. I'm sure there are things the Americans are unhappy about in CUSMA. However, when you balance it all out, both sides got what they think is a deal that is in their country's best economic interests, and that is sometimes where the tough things happen.

That certainly.... I'm not trying to minimize the impact to supply-managed sectors in this economy when these things happen. There's absolutely an economic impact; we've heard that. We heard very passionate speeches from people in poultry, dairy and eggs about how challenging they have found some of the access that was negotiated away as a result of an FTA. They get compensation for that. That's absolutely true. That is to compensate them for their lost market access. Whether or not that compensation is sufficient is something that parliamentarians, in their infinite wisdom, can ponder.

The other question you have to ask is this: If we weren't able to make those concessions in a trade agreement on supply management, would we have any of these deals? Would we have a CUS-MA? Would we have a CPTPP? Would we have a free trade deal with the EU? I think the answer we heard from our department officials, some of whom were the negotiators.... The answer to that, I think, was pretty much no.

• (1730)

I know there were some questions that were asked. Mr. Cannings asked about canola and asked Mr....I'm going to forget his name. I apologize. He asked how he would feel if he was always the first on the chopping block.

I don't think that's accurate in what happens. I think negotiations on supply management are at the very end. They are of the absolute last resort. Our negotiators go into every single free trade agreement negotiation saying, "We will not grant access to our supplymanaged sectors." If they do it, it's not the first thing. It is the absolute last thing, because they know how important protecting supply management is. Whether it's a Conservative or a Liberal government, that is the most important thing in those negotiations. You have to look at the country as a whole. You have to look at the economic interest of the entire country when you're negotiating a free trade agreement.

The International Cheese Council of Canada talks about the cheese letters. This is something I don't understand and it's also something we didn't really find the time to get into. They go on to say:

As mentioned above, as part of the Canada-UK Trade Continuity Agreement...negotiations, both Canada and the UK agreed to a 3-year transition period during which the UK continues to have access to the WTO cheese TRQ EU pool, despite having become a non-EU country. These "cheese letters" are only valid until the end...of this year.

That's 2023.

Both parties have stated that they will endeavour to seek an outcome for the cheese sector by June 30th, 2023—which is barely three months away. This scenario, if left unchanged, will create significant business disruptions to our industry given the planning horizons for the cheese sector. Indeed, while 2023 may have only just begun, the cheese planning has already been concluded for [this] year. Indeed, planning for 2024 has begun—with the assumption of at least a similar level of access after the cheese letters will have expired.

As such, the ICCC urges Canada to come to an agreement with the UK before the conclusion of the sixth round of negotiations (in June 2023) to extend the va-

lidity of the cheese letters until the end of 2024. Ideally, the agreement would be aligned with the announcement of the outcome of the TRQ Review, therefore reducing the number...of transitions faced by the industry in the next 12-24 months.

Note that such an outcome would not provide more access to importers, but would provide an increased amount of certainty at a time [when] our industry is facing significant headwinds.

Increasing access to Canada's protected supply-managed goods is not the only option available to Canada's trade negotiators provided they have the ability to best advocate on behalf of Canada. Options available include the reallocation of existing quota between pools (which Canada has done in the past), or changing the allocation method of existing TRQs, such as [in] the CPTPP.

The ICCC strongly encourages Members to consider the impact of this Bill on our trade relationships. Our trade allies are increasingly dissatisfied with Canada's administration of...dairy TRQs—so much so that the United States has launched a trade dispute, alleging that Canada is failing to respect its existing trade treaty commitments.

Now you have to think that we now have these dairy challenges within USMCA or CUSMA—however you want to describe it. Will this further irritate or agitate that trading relationship with the United States, our absolute number one trading partner? Seventy-plus per cent of our exports go to the United States.

(1735)

The International Cheese Council of Canada—

Mr. Garnett Genuis: On a point of order, Madam Chair, with all due respect to my colleague, I notice we're over time. I don't know the protocol here, but do we normally end on time?

The Chair: We normally do, but I thought Mr. Seeback wanted to get his other two points over before I adjourned the meeting. We have to be here until 8:30 tonight, so, as the chair, I thought he could just continue on.

What's the will of the committee?

Mr. Chandra Arya (Nepean, Lib.): Madam Chair, I would rather we came back.

The Chair: Do I have the consent of the committee to adjourn?

Mr. Arif Virani: I move adjournment.

(Motion agreed to)

The Chair: That's too bad, Mr. Seeback. I was trying to give you until eight o'clock. I figured you could finish it all off tonight.

We are adjourned.

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