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Chair: The Honourable Judy A. Sgro





## Standing Committee on International Trade

Thursday, February 27, 2020

• (0905)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I call to order this meeting of the Standing Committee on International Trade.

Pursuant to the order of reference of Thursday, February 6, 2020, we are studying Bill C-4, an act to implement the agreement between Canada, the United States of America and the United Mexican States.

Today we are going to be doing clause-by-clause consideration of Bill C-4.

We are joined by the Department of Foreign Affairs, Trade and Development, with Nicola Waterfield, deputy director, trade negotiations, North America division; Steve Verheul, chief negotiator and assistant deputy minister, trade policy and negotiations; Robert Brookfield, director general, trade law, deputy legal adviser; Andrew McCracken, director, trade negotiations, North America division; and Vickie Iacobellis, counsel, trade law bureau.

Thanks to all of you for coming this morning. Before we commence our clause-by-clause consideration, we will hear from Ms. Bendayan.

**Ms. Rachel Bendayan (Outremont, Lib.):** Further to some discussions that were had last night at the end of our committee meeting, I would like to put forward a proposal for discussion and vote, if my colleagues so wish this morning. That is, further to the hearing of testimony these past two weeks:

That the committee tasks the analysts to prepare a letter from the committee to the Deputy Prime Minister for release after the Royal Assent of Bill C-4; and that the letter briefly summarize the testimony of witnesses and the recommendations made by witnesses for the Deputy Prime Minister to consider.

Thank you.

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

I have Mr. Dhaliwal and Mr. Hoback.

**Mr. Sukh Dhaliwal (Surrey—Newton, Lib.):** I think this is a great idea. We should call the question on this.

**The Chair:** I think Mr. Hoback wants to make a comment.

**Mr. Randy Hoback (Prince Albert, CPC):** That's great. I am in favour of this.

We heard testimony last night and I just think of Ken, the one in softwood lumber, a finisher. He had a message but he said it never gets heard. This is a chance for that message to be heard.

I think it's a good idea. I'm in favour of it, for sure.

(Motion agreed to [See Minutes of Proceedings])

**The Chair:** That's carried unanimously. We have a great committee.

Before we go into clause-by-clause consideration, given the fact that we have four new members at committee and it's their first time with clause-by-clause, I will briefly read out some of the instructions and the way that it will flow this morning.

As the name indicates, this is an examination of all of the clauses in the order in which they appear in the bill. I will call each clause successively and each clause is subject to debate and a vote. If there is an amendment to the clause in question, I will recognize the member proposing it, who may explain it. The amendment will then be open for debate. When no further members wish to intervene, the amendment will be voted on. Amendments will be considered in the order in which they appear in the package that each member has received from the clerk.

In addition to having to be properly drafted in a legal sense, amendments must also be procedurally admissible. The chair may be called upon to rule amendments inadmissible if they go against the principle of the bill or beyond the scope of the bill, both of which were adopted by the House when it agreed to the bill at second reading, or if they offend the financial prerogative of the Crown. If you wish to eliminate a clause of the bill altogether, the proper course of action is to vote against that clause when the time comes, not to propose an amendment to delete it.

As indicated earlier, the committee will go through the amendments in the order in which they appear and vote on them one at a time. Amendments have been given a number in the top right corner of each page to indicate which party submitted them. There is no need for a seconder to move an amendment. Once moved, though, you will need unanimous consent to withdraw it.

During debate on an amendment, members are permitted to move subamendments. These subamendments do not require the approval of the mover of the amendment. Only one subamendment will be considered at a time and subamendments cannot be amended.

Once every clause has been voted on, the committee will vote on the title and on the bill itself. If any amendments have been adopted by the committee, an order to reprint the bill will be required so that the House has a proper copy for use at report stage.

Finally, the committee will have to order the chair to report the bill to the House. That report contains only the text of any adopted amendments as well as an indication of any deleted clauses. Speaking to any of the amendments is for five minutes per clause, per party, as we move forward.

Mr. Hoback.

**Mr. Randy Hoback:** Madam Chair, in light of speeding things up, I know that in the past when I was chairing, clauses were grouped when there was no controversy amongst the members. I hope you'll do that today.

**The Chair:** That's an excellent idea. Thank you.

Mr. Dhaliwal.

**Mr. Sukh Dhaliwal:** I second that idea by Mr. Hoback.

Let us get this bill through the House ASAP.

I would recommend that we move to clause 1, and that clauses 2 to 12 be carried.

**The Chair:** All right.

Pursuant to standing order 75(1) consideration of clause 1, which is the short title, is postponed to the end of all of the clauses.

Mr. Blaikie.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** I just wanted to state for the record that I agree with grouping the clauses.

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

(On clause 2)

Mr. Blaikie, do you wish to speak to this?

**Mr. Daniel Blaikie:** I do, thank you.

The amendment that I'm moving to clause 2 is to add a definition for "indigenous peoples of Canada" to the bill. This is necessary in order to make a further amendment, which would introduce a non-derogation clause. We heard about that in the testimony from the AFN. It's consistent with the report that the Senate made on non-derogation clauses in 2007, I believe. I think this is part of the value-added detailed work that legislators can do. Particularly when we're talking about reconciliation, these are some of the things we can do to move forward on that path, which is why we're happy to be moving this amendment today.

I do have to say, in the event that we don't add the definition, that is to say, if this amendment is voted down, I don't think there would be much point in moving the subsequent amendment, which is the actual non-derogation clause, because without the definition it wouldn't make sense.

I consider us to be voting effectively on the non-derogation clause with respect to this amendment. If it fails, I won't be moving my other amendment.

**The Chair:** Mr. Hoback.

**Mr. Randy Hoback:** Yes, this is one of those examples of where, if we had more time, I would like to look a much closer at it, because it may be a good idea. However, I definitely want to make sure it doesn't have any negative consequences on moving the leg-

islation forward or create a situation where we end up being stalled or have to renegotiate.

That is my holdback on that. I'm not against it necessarily; I would just like to have more information. I would like to get that on the record right now.

• (0910)

**Mr. Sukh Dhaliwal:** Do we want to call the question?

**Mr. Daniel Blaikie:** Madam Chair, I would ask that we have a recorded vote.

**Ms. Rachel Bendayan:** Madam Chair, I'd like to speak.

My colleague Mr. Blaikie indicated that if NDP-1 does not move forward, he will not pursue amendments NDP-2 and NDP-3, so I would like to speak to all of them as a whole.

First, as I indicated to my colleague yesterday, the intent of this amendment is positive, and we on this side are very much in favour of the spirit and the intent of it. It is one of the reasons our main objective for the new NAFTA was to better reflect the interests of indigenous peoples. We indeed worked very closely with Perry Bellegarde and others to secure important clarity in the form of a general exception related to the rights of indigenous peoples as well as policy flexibility for indigenous peoples and indigenous-owned businesses in CUSMA.

That being said, this amendment is a departure from our other free trade agreements. It does cause some legal inconsistencies with other FTAs that Canada has signed. I would also note, as I'm sure everybody in this room knows, that Canada's obligations to indigenous peoples are enshrined in the Canadian Constitution, which supersedes all other legislation, including CUSMA, and renders these amendments redundant.

For that reason, Madam Chair, we will not be voting in favour of these amendments.

(Amendment negatived: nays 5; yeas 2 [*See Minutes of Proceedings*])

(Clause 2 agreed to)

**The Chair:** Are there any further comments on NDP-1?

**The Chair:** Yes, Mr. Dhaliwal.

**Mr. Sukh Dhaliwal:** Madam Chair, can we look at grouping the clauses now?

**The Chair:** Yes. I'm going to do that.

I need unanimous consent to group clause 3 to clause 5.

**Some hon. members:** Agreed.

(Clauses 3 to 5 inclusive agreed to)

**The Chair:** Mr. Blaikie, you're not moving your new clause 5.1.

May I have unanimous consent to group clauses 6 to 212?

**Some hon. members:** Agreed.

(Clauses 6 to 212 inclusive agreed to)

**The Chair:** This is a wonderful committee.

We're now looking at a new clause which Mr. Manly and the Green Party have proposed.

Do you wish to speak to it, Mr. Manly?

**Mr. Paul Manly (Nanaimo—Ladysmith, GP):** This clause doesn't change the agreement. It changes the way the committee reports on the agreement.

Given the debate I've heard in the House of Commons about this agreement, there has been a lot of discussion about transparency. I've heard from the Conservatives that they want to see economic reports. I've heard from the Liberals that in the past they weren't happy with the way agreements were negotiated because they felt they were left out. I think this just adds a level of transparency to reviewing the agreement after it's been signed and ratified and that we can see the socio-economic benefits or drawbacks of the agreement.

Proposed clause 212.1 reads:

(1) Within two years after the day on which this section comes into force and every two years after that, a review of the socio-economic impacts of the Agreement on Canadians and on the Canadian economy, broken down by industry sector, is to be undertaken by the committee of the Senate, of the House of Commons or of both Houses of Parliament that may be designated or established for the purpose of the review.

(2) The committee is to submit a report containing any findings or recommendations that it considers appropriate to the House or Houses of Parliament of which it is a committee.

As we move forward into the review of the agreement, this will help Parliament understand the impacts of the agreement. As we move towards that 16-year renegotiation period, we're going to have a better understanding of the impacts for Canadians and Canadian industry.

Thank you.

• (0915)

**Mr. Randy Hoback:** I think the spirit is good. Is this the right place to do it? I think as a committee we automatically determine that fate among ourselves. If we decide we want to take on that review, we can do that at any point. It doesn't have to be a specific period.

In this agreement there is a review in five years, regardless. We will abstain.

**Mr. Daniel Blaikie:** I want to echo the comments about transparency. Some of the testimony we heard yesterday talked about how, at the moment, a lot of these mechanisms, whether it's getting an economic impact assessment or whether it's how we consult on trade agreements depends on the culture of the government of the day. Even when you have governments that are doing it relatively better than other governments, there's no guarantee in that. This would provide for a mandatory review.

We know there is a sunset clause. That means we are going to be looking at the agreement at some point. It would be good to have that economic information. We know that sometimes you don't get it in a timely way. That point has been belaboured here. I won't do it again. This would be a way of ensuring that we get that information in a timely way, as the negotiations open up as a result of the sunset clause in the agreement, whether people want it there or not.

That's why I'll be supporting the amendment today.

**The Chair:** Mr. Sheehan.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Thank you very much, Mr. Manly, for participating in these very important committee meetings.

One of the things we have heard over and over again since I've been at this and right from the get-go, in particular with the section 232 tariffs on steel and whatnot, is that when Trump first positioned this, he wanted it to sunset in five years. We heard loud and clear from businesses and unions that they need certainty and that to constantly be at this would not be good. So, we negotiated, as you know, the 16 years, but there is that review in five years. It was not a bad thing. It was not a full sunset; however, there is that review in five years. When you're reviewing in five years it means you're probably getting ready the year before to review it, so it's constant.

I think Mr. Hoback made an excellent comment. It means that we can review this at any time—in two weeks, not two years, or in two months, if we felt it necessary—and that goes for the Senate as well. There already is that mechanism to review things earlier. If it is seen by any member that it is pertinent, then I think we should.

Therefore, because we heard so much over the last number of years about needing certainty for a certain amount of time and not such a short time, we'll be voting against it.

Thank you very much for your participation. I think this particular NAFTA deal with its green clauses and green parts of it is pretty exciting moving forward.

Again, thank you very much for your amendment, but we will not be supporting it for those reasons.

**The Chair:** Is there any further discussion or comment?

Mr. Manly.

**Mr. Paul Manly:** May I ask for a recorded vote on this?

**The Chair:** Yes, you may.

(Amendment negatived: nays 5; yeas 2)

(Clause 213 agreed to)

(Schedules 1 to 5 inclusive agreed to)

Now on to the short title. The new NAFTA, how's that?

**Some hon. members:** Oh, oh!

**The Chair:** It reads, "This Act may be cited as the Canada–United States–Mexico Agreement Implementation Act."

Shall the short title carry?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

**The Chair:** We are going to try as a team to present the bill at 10 o'clock when the House convenes.

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

**The Chair:** Wonderful. Thank you to all of the wonderful people who have done all of this excellent work for us, our support staff.

Mr. Hoback.

• (0920)

**Mr. Randy Hoback:** I just want to say thank you to all the staff and all the team for all the hard work.

**The Chair:** Thank you to our staff, to people in the kitchen, to the clerks, to the translators. It's been a heavy couple of weeks, but they've all done a wonderful job.

**Ms. Rachel Bendayan:** Thank you to the chief negotiator and his team as well.

**The Chair:** Yes, exactly.

Thank you to this wonderful team that we have on international trade.

Thank you all very much for your co-operation.

The meeting is adjourned.

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