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# Standing Committee on International Trade

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Chair: The Honourable Judy A. Sgro





## Standing Committee on International Trade

Monday, May 15, 2023

• (1100)

[*English*]

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

This is meeting number 65 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 would like to make a few comments for the benefit of the witnesses and the 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. For those in the room, you can use the earpiece and select the desired channel.

As a reminder, 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. 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.

In accordance with the committee's routine motion concerning technical tests for witnesses, I am informing the committee that all witnesses have completed the required tests.

Should any technical challenges arise, please advise me. Please note that we may need to suspend for a few minutes in order to ensure that all members have full access to the translation.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, November 25, the committee is continuing its study of non-tariff barriers in Canada's existing and potential international trade agreements.

We have with us today, from the Canadian American Business Council, Maryscott Greenwood, chief executive officer. It's nice to see you again, Scotty.

From the Canadian Canola Growers Association, we have Dave Carey, vice-president, government and industry relations, and Janelle Whitely, senior manager, trade and marketing policy, by video conference; from the Canadian Pork Council, Stephen Heckbert, executive director, and René Roy, chair; from the Canola Council of Canada, Chris Davison, vice-president, stakeholder and industry relations, by video conference; and from Cereals Canada, Mark Walker, vice-president, markets and trade, by video conference.

Welcome to all of you.

Ms. Greenwood, I invite you to do an opening statement of up to five minutes.

The floor is yours.

[*Translation*]

**Ms. Maryscott Greenwood (Chief Executive Officer, Canadian American Business Council):** Hello, everyone.

I am pleased to be here today.

[*English*]

Madam Chair and members of the committee, thank you very much for the opportunity to appear before you again today.

The last time the chair and I were together was just a few short weeks ago at a parliamentary address and then a dinner that Canada hosted for the President of the United States. I did not travel up on Air Force One, however.

On the heels of President Biden's successful visit to Ottawa, we have a number of ideas about how to advance the world's most successful trading relationship. Today I will focus on one that cuts across every single sector in our joint economic space.

North Americans may not have heard of the Canada-U.S. Regulatory Cooperation Council, but whether you're a C-suite executive, a shareholder, a small business owner or just someone doing some shopping, the RCC is working to tackle the red tape and regulatory burdens that often vex consumers and businesses alike, not to mention the regulators themselves.

Differing national regulations and standards determine, for example, whether a product can go to market in Canada or the United States, which explains why Canadian consumers, for example, may be frustrated when they can't buy or access products they see advertised in the American media and vice versa.

An even bigger problem is that this tyranny of small differences reduces cross-border commerce, making it nearly impossible for many small businesses to build their customer base and grow their companies in neighbouring jurisdictions.

Indeed, differing regulations between the U.S. and Canada—the world's most successful trading partners—have had the unintended consequence of hindering the flow of goods and services in our integrated economy, raising prices and eating into business productivity and profitability on both sides of the Canada-U.S. border.

For the past 12 years, the Regulatory Cooperation Council has been committed to ensuring that the rules and regulations involved in doing cross-border business are aligned whenever possible between the U.S. and Canada. The council also protects the health and safety of citizens and the environment on both sides of the border.

In a period of economic volatility, supply-chain challenges and extreme climate change events, these are especially important responsibilities, yet they've been semi-neglected in recent years.

The Canadian American Business Council successfully called for the creation of the RCC back in 2011. At our urging, the RCC was launched by President Barack Obama and then prime minister Stephen Harper to great fanfare among businesses on both sides of the border.

In its early years, the Canadian bureaucracy did most of the heavy lifting for the RCC—and that continues today, actually—first via the Privy Council and then via the Treasury Board Secretariat. In the United States, a White House entity with the Office of Management and Budget—the Office of Information and Regulatory Affairs, or OIRA—plays that role.

Then came the Trump administration. To put it diplomatically, Canadian officials didn't find the Trump White House quite as easy to deal with. Long overdue efforts, actually, to renegotiate and modernize NAFTA, the North American Free Trade Agreement, now the USMCA or CUSMA, necessarily took centre stage.

Regulatory harmonization concurrently took a back seat, which is ironic, because the small and medium-sized companies most plagued by regulatory hurdles are the very firms that the U.S., Mexico and Canada want playing a greater role in North American trade under the USMCA.

It's time, then, to redouble our efforts. The timing, in fact, couldn't be more apt for a vow renewal, if you will, in a harmonization relationship that's grown more vital in light of global circumstances. The current economic realities demand attention and action.

• (1105)

The COVID-19 pandemic has vividly illustrated the vulnerabilities of our supply chains. Regulatory obstacles pose even more headaches for those navigating tenuous supply chains, but the pan-

demie also showed us that we can work across borders to deploy personal protective equipment and life-saving vaccines. We must use what we have learned since March 2020 to help the North American economy rebound by tackling counterproductive regulatory redundancy. Doing so will boost efficiencies in cross-border trade and ease supply chain woes, while cutting costs both for governments and for businesses of all sizes, as well as for everyday Canadians and Americans.

U.S. President Joe Biden and Canadian Prime Minister Justin Trudeau have acknowledged that regulatory co-operation can promote economic growth, competitiveness and innovation and create jobs while protecting high standards of public health, welfare, safety and environmental protection. Kick-starting the RCC's efforts to achieve more regulatory harmony will bolster supply chain resiliency between the U.S. and Canada in crucial sectors that include medical devices, PPE, critical minerals, semiconductors, electric vehicles, batteries, solar energy and much more.

Regulatory differences are unintended trade barriers between the United States and Canada, and we are so grateful to this committee for taking on this important issue. Let's get back to work on the RCC.

Thank you very much.

• (1110)

**The Chair:** Thank you very much, Ms. Greenwood.

We have Mr. Carey, please, for up to five minutes.

**Mr. Dave Carey (Vice-President, Government and Industry Relations, Canadian Canola Growers Association):** Thank you for the opportunity to appear as part of this important study. I was with you not too long ago, wearing a different hat, but today I'm joined virtually by my colleague, Janelle Whitley, senior manager, trade and marketing policy, and we will be sharing our time for opening remarks.

CCGA represents Canada's 43,000 canola farmers on issues that impact their farms' success. As the world's largest exporter of canola, Canada exports 90% of what we grow as seed, oil or meal, and was valued at \$14.4 billion in exports in 2022.

International trade underpins the canola sector's \$29.9-billion annual economic contribution and its 200,000 Canadian jobs nationally. Canola's success is based on international trade and continual innovation. Landmark agreements such as CUSMA, CPTPP and CETA cover close to two-thirds of our markets and are fundamental to maintaining existing and building new customers.

Core tenets of these agreements are the elimination of tariffs to enable competitive access, clear rules of trade to provide predictability and transparency, and, importantly, a platform to strengthen trade relationships.

Today's study is timely. Agriculture trade is increasingly dominated by non-tariff trade barriers—measures detracting from these tenets and creating risk to grow and capitalize on market opportunities, adding costs to access certain markets and establishing barriers to needed innovation to advance agriculture's sustainability and resilience.

If not designed properly, the increase in policies and programs to advance our climate change and sustainable development goals can also undermine our trade policy objectives and competitiveness.

CETA provides a good example. Tariffs on canola were eliminated, creating new opportunities in the EU biofuels market, but the canola sector continues to lack market certainty. The agreement has been in place for over five years, and we continue to face non-scientific requirements for crop protection products, delays in approvals for new crop varieties from biotechnology, and differing approaches to environmental and social protections. While CETA provides the mechanisms to raise our concerns, it has yet to yield practical solutions and efforts to truly strengthen our trade relationship and offer predictability. We face the same issues with Mexico.

I will now turn it over to Janelle to comment on how this translates to the farm, and to offer some recommendations.

**Ms. Janelle Whitley (Senior Manager, Trade and Marketing Policy, Canadian Canola Growers Association):** Thanks, Dave.

How does this impact canola farmers? Most canola production is grown with herbicide-tolerant GM varieties, such as glyphosate resistance. Biotechnology is a key part of canola's sustainability story, enabling the widespread adoption of conservation tillage, improvements in soil health and reduction in other inputs. Responsible farming practices such as these allow farmers to sequester, on average, 11 million tonnes of GHGs in their fields each year. Crop protection products provide invaluable tools against pest, disease and agronomic pressures, protecting yield and farm profitability.

Without approvals in our export markets, our exports face zero tolerance for a canola biotech trait or crop protection product residue in an export shipment. This is an impossible proposition with our bulk handling system and multiple crops grown on farm. Canola farmers must select between market access or the adoption of innovation until the technology is recognized in our export market, if it is recognized. Often, this means farmers are not using the newest, best technologies, which have been deemed safe by our Canadian regulatory bodies based on robust scientific assessments.

These differences often come down to the use of precautionary principles and increasingly different views on sustainable agricul-

ture. While we respect our partners' sovereign right to enact policies related to human and animal health and the environment, our landmark agreements indicate that such measures should be based on science, not create an unjustified barrier to trade, and provide guidelines to recognize equivalency.

In conclusion, we offer the following recommendations to your study as actions to maximize existing and future FTAs.

To fully capitalize on the benefits of trade, we need an ongoing commitment to resolving non-tariff barriers across government departments and at all levels. This will be key to expanding trade, investment and supply chain resilience under the Indo-Pacific strategy and to the success of the first ever Indo-Pacific agriculture and agri-food office.

Future agreements should incorporate trade-facilitative solutions to manage differences in innovation and sustainable agriculture. Both CUSMA and the CPTPP contain language on agriculture biotechnology that should be emulated. Recognition of international standards such as Codex would provide a solution to missing or different crop protection product registrations.

Once an FTA goes into effect, a strategy is required and dedicated resources are needed to ensure full implementation and compliance with the negotiated agreements and concessions, particularly in the areas of sanitary and phytosanitary measures and technical barriers to trade.

More largely, Canada needs an agriculture trade strategy to grow our agriculture and food exports, to leverage our existing FTAs and to define a pathway to ensure that Canada remains a leading provider of food, fibre and fuel worldwide.

Thank you.

• (1115)

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

Mr. Roy, you have up to five minutes, please.

[*Translation*]

**Mr. René Roy (Chair, Canadian Pork Council):** Thank you, Madam Chair.

Thank you for the invitation and thank you to the committee members for your work on this issue.

My name is René Roy. I am the chair of the Canadian Pork Council and am also a pork farmer. Joining me today is our executive director, Stephen Heckbert.

The Canadian Pork Council is the voice for Canada's almost 8,000 pork farmers. Our industry is responsible for almost \$5 billion in annual exports to more than 75 markets around the world. Indeed, pork exports represent almost 1% of Canada's total exports. We are free traders, and free trade is good for our industry and for our businesses.

So why are we here and why are we opposed to the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, with the terms we have negotiated thus far? We are here today to talk about fairness, about a level playing field that is based on rules-based trade. Unfortunately, we're not sure all our global trading partners respect us very much when it comes to non-tariff trade barriers.

For example, the Canada-European Union Comprehensive Economic and Trade Agreement, or CETA, has given us no access to the European market, even though European countries can export meat freely into Canada. The European Union will say their animal welfare provisions are better, or that their rules around certain processes improve food safety, but, in short, the European Union is better at non-tariff trade barriers.

[*English*]

When we grant access to our market and get no access in return, that is unfair to our producers, to their families and to our communities in rural Canada.

We can appreciate that international agreements are difficult to negotiate and that industries may not be winners under any individual deal, but when our animal welfare standards are called into question in the U.K. media, we expect our government to defend us, since these standards are Canada's standards.

Being a farmer is hard work. Being a farm family that can't ship its products to a market that can ship to ours makes it feel like free trade is a punishment.

Our dealings with the minister's office have been good. We have appreciated their communication, but here is the core of our point: Non-tariff trade barriers are not supposed to be intentional. If we do not defend ourselves, our trading partner will continue to disrespect us as a country.

What are we asking for? When the United States imposed an unfair tariff on our steel industry, we responded with a targeted set of retaliatory tariffs. It worked. Just reminding the countries that impose unfair rules on our export that we have some ideas of barriers we could use in response could help reduce these behaviours. As a country, we sometimes must be willing to raise the tone to be respected.

We would also like to have International Trade or Agriculture and Agri-Food Canada keep a list of countries that have trade agreements with us yet import surprisingly few of our agricultural products.

[*Translation*]

Canada's farmers are free traders, for the most part, but we need trade deals that are fair and equitable, otherwise we're being punished for wanting to feed the world.

Ladies and gentlemen, the world needs your help to access Canada's agricultural products. We, the pork producers of Canada, will work with you to support this noble cause.

Thank you.

• (1120)

[*English*]

**The Chair:** Thank you very much, Mr. Roy.

We move to Mr. Davison for up to five minutes, please.

**Mr. Chris Davison (Vice-President, Stakeholder and Industry Relations, Canola Council of Canada):** Chair Sgro and members of the committee, thank you for the opportunity to be with you today.

The Canola Council of Canada encompasses all links in the canola value chain. Our members include canola growers, life science companies, exporters, processors and others. With over 90% of Canadian canola exported to as many as 50 different markets, the canola industry depends on ambitious, fair, science- and rules-based trade.

Historically, Canada has benefited from a business environment focused on globalization and multilateralism. Free trade agreements developed over past years have helped Canada become a leading agricultural exporter. However, some countries use protectionism as a way to promote security and access to critical goods and services. The effects of the global COVID-19 pandemic have certainly heightened protectionist policies as countries look to secure control of critical goods and also their food supplies.

By way of example, I'll refer to a report commissioned by the council, together with Cereals Canada and Pulse Canada, and referenced at this very committee in June 2022, during the committee's study of trade opportunities in the Indo-Pacific. The report documented broad use of non-tariff barriers in the agricultural sector in Indo-Pacific countries, which it said was, in part, reflective of more sustained efforts towards greater self-sufficiency and local value-add opportunities. However, this has been accompanied by protectionism and the use of NTBs to modulate imports, even as free trade agreements transform the landscape.

As international trade has increased, countries have become more concerned about protecting their domestic agriculture production. At the same time, consumers are concerned about practices and exporting countries that they perceive are affecting food safety. As a result, governments are adopting measures designed to address the food safety concerns and fears of constituents—some of which may not be grounded in science. Moving away from science-based measures generates greater trade unpredictability.

Such sanitary and phytosanitary measures are intended to protect human, animal and plant health. They include import requirements around insects, food-borne pathogens, plant diseases and weed seeds. Done properly, these measures are based on international standards or are scientifically justified. Such measures should also be the least trade-restrictive possible.

The number of SPS measures continues to expand as more countries, including many developing countries, adopt their own domestic regulatory systems. While in the past some countries may have recognized regulatory decisions from other jurisdictions, many now prefer to adopt their own measures. The result is a proliferation of SPS measures, as well as an increase in misaligned requirements, all leading to a riskier trade environment.

Access to innovation and technology—or lack thereof—represents another category of non-tariff barriers. While innovation and technology in areas such as biotechnology, gene editing and crop protection keep moving forward at a rapid pace, government regulations, globally, have become more fragmented and complex. The growing divergence of regulations will only increase disparity in technology access and market advantage for competitors and create greater risks for agricultural trade.

Current and recent examples that the Canadian canola industry has had to navigate in this regard include Mexico, which was recently the subject of technical consultations under the SPS chapter of CUSMA, and Pakistan, which took action last fall to halt the import of GM crops, reportedly as a result of domestic economic issues.

The risks created by misaligned regulatory processes are pernicious when it comes to a globally traded commodity like canola. There is significant misalignment, globally, for traditional biotechnology traits, and many countries have yet to clarify the regulatory status of varieties developed using gene editing or other new breeding techniques.

Finally, the environmentally sustainable practices used by Canadian canola farmers, which are world leading in many regards, also represent another potential risk. This is based on the fact that not all

markets measure agricultural sustainability with the same metrics, and there is a risk that markets may be closed off if the practices of Canadian farmers are not recognized.

In conclusion, let me say that Canada has traditionally been a vocal advocate for science-based decision-making, as evidenced in trade agreement negotiations and in statements made at international bodies. Maintaining this posture is critical to the continued market success of Canadian canola. Similarly, the canola industry consistently advocates for Canadian regulations to be grounded in science rather than politics. Exporting science-based policy ideals is critical to advancing market access opportunities for Canadian canola and, indeed, for all of Canadian agriculture and agri-food.

Accordingly, as the committee continues its study of non-tariff barriers and as Canada continues to pursue trade agreements with several countries and markets at this time, we encourage actions that both promote and ensure science-based trade rules to provide a predictable trade environment without unnecessary restrictions; enable access to technology through science-based and predictable regulations and policies, both here in Canada and in export markets; and enable growth, increased value and trade diversification through the recognition of sustainability practices.

Thank you, again, for your time today.

• (1125)

**The Chair:** Thank you very much, Mr. Davison.

We'll move on to Mr. Walker for up to five minutes.

**Mr. Mark Walker (Vice-President, Markets and Trade, Cereals Canada):** Madam Chair, members of the committee, thank you for having me here today.

My name is Mark Walker. I'm the vice-president of markets and trade with Cereals Canada.

Cereals Canada is the national industry association for wheat, durum, barley and oats in Canada. We represent the full value chain, from farmers to crop development companies, grain handlers and exporters. Our members are focused on the benefits of export-led growth, facilitated by access to diverse global markets.

Canadian cereals are a staple food exported to every corner of the world and over 80 countries. In an average year, our sector contributes \$68.8 billion to the Canadian economy, including more than 370,000 Canadian jobs. With Canadian wheat's global reach and long-standing place as a key agricultural export, we have witnessed the shift in trade barriers from tariff-based to non-tariff based barriers, or NTBs, as the primary means of controlling imports.

The most recent and impactful use of an NTB for wheat has been the use of sanitary and phytosanitary restrictions in Vietnam. Following the implementation of the CPTPP, Vietnam's regulator added creeping thistle to its list of prohibited pests, thereby restricting Canadian wheat imports due to these seeds being present in Canadian cargoes.

Since the restriction of trade in 2019, Canadian wheat shipments have been feasible only in container quantities. Instead of increased market access, Canadian exporters have experienced increased logistics costs and regulatory uncertainty, which saw Canadian wheat imports to Vietnam fall from 375,000 tonnes in 2019 to only 20,000 tonnes last year. We are currently working with the Government of Canada and Vietnamese stakeholders on a path forward to return to normalized trade and recognition of the safety and cleanliness of Canadian wheat exports.

The cereal sector is also closely watching developments in Mexico, where presidential decrees have been issued that will prevent farmers there from having access to key seed and farm input technologies. Additionally, products produced using these technologies will be barred from entry. If these measures were to extend to Canadian cereals, it would have significant impacts, both on Canadian industry and on Mexican consumers.

Industry and government can work together to support open, predictable and sustainable trade. Cereals Canada has seen the benefits of industry-to-industry advocacy with international customers. In the Peruvian market, Canadian cereals faced import restrictions that were similar to those I referenced in Vietnam. In 2019, Canadian industry, working with millers in Peru as well as the Government of Canada, established a protocol that allows Canadian wheat to be imported with in-country control measures that satisfy Peruvian regulators.

We applaud the government's ambitious work to grow our free trade agreements, or FTAs, with cereal-importing countries. These agreements have worked to reduce cereal import tariffs in the relatively small number of markets where these tariffs still exist. Unfortunately, there have been instances in which, despite an FTA, market access has not increased. In these cases, the use of non-tariff barriers frustrate the potential gain from an FTA.

When negotiating future trade agreements and in implementing already agreed-to FTAs or renegotiating existing FTAs, Canadian trade officials should look to increase their focus on including language governing the use of non-tariff barriers, risk-based scientific assessments and binding dispute resolution processes to reopen borders when barriers are put in place—a framework for a fourth-generation trade agreement, if you will.

The government must continue to support harmonized standards and the use of science-based standards relating to maximum residue limits, or MRLs. The use of MRLs recognizes that modern testing protocols can identify minute amounts of contaminants, making zero-tolerance policies untenable. Science-based MRLs, harmonized at levels consistent with international guidance, such as the Codex Alimentarius, provide transparent levels that protect consumers and support predictable, open trade.

I would highlight that we applaud the announcement of the Indo-Pacific agriculture and agri-food office as part of the larger Indo-Pacific strategy. Government and industry partnerships are key to managing market access. Industry-to-industry advocacy is supported when government-to-government dialogue is happening at the same time.

Sustained in-region relationships between Canadian regulators and their counterparts in export markets will build trust and lines of communication that can pre-empt the use of NTBs and help resolve regulatory misalignments when they occur. It will support ongoing engagement in the region and provide opportunities where industry and government can work together to achieve positive outcomes for Canada.

Limiting the use of non-tariff trade barriers will foster a stronger, predictable trade environment that allows food to reach markets where it is needed. Implementing harmonized and science-based regulatory approaches will allow food producers to utilize modern agricultural tools to produce safe and affordable food, contributing to global food security.

● (1130)

On behalf of our members, Cereals Canada expresses its gratitude to the committee for its interest in learning more about the impacts of non-tariff trade barriers in agriculture. I look forward to any questions you may have.

**The Chair:** Thank you very much, Mr. Walker.

We go now to committee members, and Mr. Carrie for six minutes, please.

**Mr. Colin Carrie (Oshawa, CPC):** Thank you very much, Madam Chair.

I want to thank the witnesses for being here.

I'd like to jump right in, Monsieur Roy, with you.



You mentioned in your opening statement that we're opening our market, but we're getting no access in return. In your sector, with non-tariff barriers, you mentioned they're not supposed to be intentional, and then suddenly we see these things hitting our industry. I wanted to talk to you a bit about the U.K. You mentioned, in a recent article you put out, the U.K.'s misleading position on trade issues. I think you mention in there the growth hormone, but there's also an issue, which I believe is ongoing, with carcass washing. From the science standpoint, it looks like our system is even superior to the U.K. one, yet we're not getting anywhere.

I just wanted to ask you this: How long has this been going on? How long has the government known about this? Has there been any progress with this particular non-tariff barrier?

**Mr. René Roy:** I will start with background information. Stephen can provide some of the statistics about how it has evolved over time, so it will help also to answer the questions.

**Mr. Colin Carrie:** Thank you.

**Mr. Stephen Heckbert (Executive Director, Canadian Pork Council):** Just to begin, in 2019, our trade with the United Kingdom was even in terms of imports and exports, and then last year the United Kingdom exported some 1.2 million tonnes, and we exported 13,000. Our exports to the U.K. dropped precipitously. In terms of the percentage of Canadian exports versus imports, in 2019 we were tied basically, and in 2022 we were at 1%.

That drop is really driven by non-tariff trade barriers and several issues. There's a question around trichinosis testing, particularly for pigs that are grown entirely indoors. The Canadian point of view would be that we don't require trichinosis testing for those animals, and the U.K. would ask us to test every carcass. Similarly, in terms of carcass wash, we have a carcass wash we use, scientifically proven to be safe and effective in the Canadian market, and the U.K. bans the use of that wash.

Again, you've heard other witnesses testify to this. It's about scientific rigour. It's about a scientific basis for some of these decisions that other jurisdictions make. We're just, frankly, seeking a level playing field.

**Mr. Colin Carrie:** That makes a lot of sense. Basically, the government has known about it since 2019, and it's not getting any better. My concern now is we have the U.K. bilateral...and then the CPTPP, with the U.K. moving into that. Do you think we should be looking at proactively getting rid of these non-tariff barriers before we're opening up and moving into some of these newer trade agreements? Strategically, what's going on with the government right now, from your viewpoint?

**Mr. René Roy:** All industries have their specificities. It's important that everybody be aware of the specificities of our industry, so people can do negotiations on our behalf properly. We are in communication with the government currently, with the office of the minister, and it helps a lot to make sure that we bridge any information gaps that could be there. Above that, with true CPTPP, it will be important that we not go too quickly, because it will create some grounds for new tariffs or non-tariff trade barriers. It's important that we make sure we clarify this one before we go forward.

• (1135)

**Mr. Colin Carrie:** I agree 100%. It seems that when Canada goes into these trade agreements, we're like the boy scouts—we obey all the rules. What I'm seeing now, which really distresses me, is that Olymel announced the closure of the Vallée-Jonction plant, laying off 1,000 people. We're looking at the inaction to resolve these trade barriers as really having an effect at home, here. We found out through COVID-19 how important it is for us to have a supply chain. We can't necessarily always depend on our trading partners.

How much of an impact is this having on the ground here? At this plant, 1,000 people were laid off. They had \$400 million in losses. This is starting to hit home. We need to make sure we're not going in the wrong direction.

Can you let us know if there are any other plants right now that are having problems, because of not completing the negotiations to get rid of these non-tariff barriers?

**Mr. René Roy:** It's not the first plant that is closing because of this market situation, so yes, it's really concerning, and it has an effect on the ground.

I just received a call before I arrived regarding producers in distress, because this will mean that producers have to close down, so it's not just a matter of numbers. It's a matter also of the people who are affected.

If I may add, also, that these—

**The Chair:** Be quick, Mr. Roy.

**Mr. René Roy:** Then I will say quickly that it has a major impact, and it has an impact beyond Olymel.

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

We move on now to Mr. Virani for six minutes, please.

**Mr. Arif Virani (Parkdale—High Park, Lib.):** Thank you very much to all the witnesses for being here.

I'm going to start with Mr. Walker and then invite Mr. Davison to jump in.

Mr. Walker, you mentioned the Indo-Pacific strategy, and you specifically mentioned the office, the Indo-Pacific agriculture and agri-food office. This is an office that's meant to be in situ, on location, in Asia, dealing with things such as SPS irritants as they arise, trying to head them off before they become proper issues and cargo are being prevented from being delivered, etc.

Can you comment a bit about how you see that office operating and how it will be useful in terms of addressing these irritants, which are arising more and more often?

I'll go to Mr. Walker first and then maybe Mr. Davison.

**Mr. Mark Walker:** As my colleague Mr. Davison mentioned, Cereals Canada, along with Pulse Canada and the Canola Council, commissioned a report that we spoke to last year at this committee regarding the IPDO.

What we know is that sustained in-region presence is very critically important, government-to-government engagement with officials who can fan out across the region as needed to help proactively address these SPS issues as they arise. In that area of the world, we know that business often comes second and relationships come first, which is a bit of a flip to what we have here in North America.

I'm very supportive of the office. I'm very pleased with the announcement. Really, what we need is a sustained in-region presence.

Thank you.

**Mr. Arif Virani:** Mr. Davison, do you want to jump in on that?

**Mr. Chris Davison:** Yes. I'm happy to add to that.

I echo what Mr. Walker said. I think our report highlighted that very well.

One of the things it did, through a number of interviews with different stakeholders in the region, was talk not only about current practices in Canada but also about what our competitors are doing in the region. One of the things that came back in spades was very high regard for Canada, but there was also a comment that, while Canada has a very good reputation, particularly in things like regulatory and technical capacity building, we don't have as much of a physical presence in the region. Therefore, building on what Mr. Walker said, I think there's a recognition, a value and an appreciation for what Canada can and has done, but we're looking to step that up with the establishment of the office.

The other, last comment I would build on that—and I think you talked about it in sort of a reactive context—is that we see the ability to have an increased presence on the ground in key markets in the Indo-Pacific, and to build on the relationship building that Mr. Walker talked about with officials, regulators and other stakeholders. We hope a more proactive approach will head off and prevent things from happening in the first place as well.

Thank you.

• (1140)

**Mr. Arif Virani:** Let me just continue in that vein, Mr. Davison, with you.

There are other agreements in the region that are ongoing, right? We're very public about the fact that we're pursuing something with ASEAN, specifically also an additional bilateral agreement with Indonesia. Minister Goyal was here last week on behalf of the Indian government, in an early progress agreement with India.

What do that office and the Indo-Pacific strategy do in terms of helping to build some of those relationships that you and Mr. Walker just mentioned are so critical in the region? How does that help in terms of the go-forward on the proactive basis in terms of both getting those agreements concluded but also getting, potentially, more entrenched and better and stronger provisions in those agreements—those three upcoming agreements—that would help ad-

dress some of the non-tariff barriers that we see, unfortunately, cropping up too frequently?

Go ahead, Mr. Davison.

**Mr. Chris Davison:** I think there are a couple of areas in that regard where it will be extremely helpful.

One of the other things that is probably apparent to all of us but was highlighted in the report we commissioned is the intense competitiveness in the region. At any given time, we're competing with 70 other countries or markets that are looking to expand their opportunities in the Indo-Pacific. You know that expression “out of sight, out of mind”, so we need to increase our visibility to do that proactive work that you allude to.

Building on my previous comment, where I know we can make an even bigger difference going forward is in regulatory and technical capacity building. This links back to comments made by a number of other folks over the last several minutes. Increasingly, a number of markets, economies and countries are developing and looking to implement their own national systems, but some will acknowledge that they don't have all of the existing technical capacity to do that and are quite welcoming and looking to countries like Canada that have well-established capacity in that area. That is definitely one area where we see this office being able to help play a role in moving forward.

**Mr. Arif Virani:** I'll turn to Ms. Greenwood.

You were hearkening us back to the RCC, and you wanted to reinvigorate that.

Can you tell us a bit about.... In CUSMA, were some of the non-tariff barriers eliminated? Was there some success with CUSMA? How, specifically, would you like to see us reinvigorate the RCC going forward?

**Ms. Maryscott Greenwood:** The new trade agreement does set the rules of the road at kind of a high level, but there are all of these small differences.

For example, how do you test a product? Think about automobiles. Think about any product you have to test for health and safety. The small differences still exist between the United States, Canada and Mexico, even in the new trade agreement. Those small differences, absent an effort to have mutual recognition, really end up costing a lot of money.

To give a car example—and I'm making this up; this isn't an actual thing—you might have to crash test a new car at 60 kilometres per hour in Canada, and in the U.S. that same car, made in both Canada and the United States, is tested at 65 kilometres per hour, and it costs \$1 million per vehicle, or something like that, to test it. You don't get an increased benefit in safety, but you have this small difference in how you have to certify something. It could be electric wiring, food, medicines, etc., anything that's manufactured.

All those differences potentially still exist, and companies either choose not to go into another market, even if it's right next door, or spend a lot of money trying to comply with small differences that don't enhance safety. It's still there.

**The Chair:** Thank you very much, Ms. Greenwood.

We'll go on to Mr. Garon.

Welcome to the committee today.

[*Translation*]

**Mr. Jean-Denis Garon (Mirabel, BQ):** Thank you very much.

Hello to the members of the committee and thank you to all the witnesses for being here today.

To begin, I have a question for the Canadian Pork Council.

During the CETA negotiations, Canada obviously had difficulty anticipating the European non-tariff barriers on pork exports. And yet, those were not Canada's first free trade negotiations. Canada has an open economy.

First of all, why was Canada not able to anticipate the impact of those trade barriers?

Secondly, in the negotiations with the UK, do you think Canada is at risk of making the same mistakes and that it is trying to move forward too quickly?

● (1145)

**Mr. René Roy:** I will start with your second question.

Right now, we do in fact see a risk regarding the UK. In terms of moving too quickly, that is true. Canada and the UK both have an interest in concluding a trade agreement, but it has to be done properly. If the details are not ironed out properly, we will hit a wall as soon as the agreement is signed. We can see this clearly, with everything happening in the European Union.

As to the order of magnitude, we have exported roughly 255 tonnes of pork to the European Union since the start of the year, while the exports of just four countries in the European Union were more than 8,000 tonnes. Current forecasts suggest that the imbalance will be even greater. So the government has to be very aware, down to the fine details, of non-tariff barriers that sometimes arise based purely on perceptions.

**Mr. Jean-Denis Garon:** When free trade is promised, the very least we should expect is for it to take shape in reality and not just on paper.

You talked about the fine details and your fear that the agreement with the UK could be based on the same conditions as the agreement with the European Union.

What are the most important fine details? What is the minimum Canada should ask for?

**Mr. René Roy:** We have to make sure that the same requirements apply to both sides. It is with respect to the technical requirements that differences arise. We have to make sure they are very clear and are well understood by both parties, since they are spelled out.

In the agreement with the EU, we noted that certain technical requirements were not spelled out. When our exporters tried to access the European market, they were told that there were certain limits, that certain details were not accepted, and that it was in the agreement.

So we have to make sure that our negotiators are well aware of the technical details and are able to negotiate trade agreements that are fair for both parties.

**Mr. Jean-Denis Garon:** Public opinion is an important factor, and it determines the conditions for free trade. We know that, and you referred to it. Pork producers in Canada, who are mostly in Quebec, were maligned by the UK media, to say the least, unfairly so, according to several people.

Do you consider it a mistake that Canada failed to defend you adequately or do you think that is a trend that is too common?

**Mr. René Roy:** In that specific case, we have to make sure it doesn't happen again. That is why it is important that representatives of the industry sectors that are affected by trade relationship are also at the table to make their case.

Canada cannot afford to ignore the industry's opinion. The negotiators do not hear about our industry until they go to the other country. Yet they must be aware of the challenges we face on our side so the other party does not simply impose their rules.

**Mr. Jean-Denis Garon:** I have one last question for you. Perhaps we will return to the topic later on.

Diplomatic relations between Canada and China are complicated, to say the least. Quebec pork producers sent us a document recently which stresses the need to open up new markets, in particular since the Chinese market was closed. These are non-tariff barriers which can be interpreted as voluntary measures to counter free trade.

Did the government consult you to listen to your requests and to get further details about this? What action was taken in response to your requests?

**Mr. René Roy:** We expressed our support for new trading relationships in the Indo-Pacific region, which we regard as a potential market. Market diversification is extremely important, especially in Southeast Asia, but it is still important to be able to conclude agreements with as few non-trade barriers as possible.

• (1150)

[English]

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

We will go on to Mr. Cannings, for six minutes, please.

**Mr. Richard Cannings (South Okanagan—West Kootenay, NDP):** Thank you. I'm going to stay with Mr. Roy to talk about this issue with the U.K.

Correct me if I'm wrong, but it seems that some of these non-tariff barriers suddenly arose when we signed FTAs. They have come in as a response to FTAs. We sign them with the best intentions, and then other countries come up with ways of getting around them. We think we're going to get more access for pork and beef in exchange for more access to European cheese, and instead, we get nothing out of it.

That was my first comment, if you can respond to that.

With regard to the U.K., we have a situation with the accession to the CPTPP and the bilateral agreement that we're working on. It's my understanding that there's still an opportunity to sign a side letter with the U.K. about various aspects of what the CPTPP provides. We can specify in there some of the issues we have.

I'm wondering if you would comment on that opportunity, to see whether it would apply to some of your concerns.

**Mr. René Roy:** To answer your first question, yes, there is an opportunity. We are in discussion with the government right now to make sure that these non-tariff trade barriers that have appeared in the first agreement will not be sustained in the final agreement. Yes, there is an opportunity that we should grasp. Otherwise, it will be an unfair trade.

It is clear to us that it will be just a replication. They have decided to get out of the EU, but they mimic the same behaviour. We believe that this should be different. They should behave differently with our country.

On the question regarding when it happens in the process, whether it happens after the fact or during the negotiations, we are more careful right now to make sure that it is not in what I will call the fine print. I am not a negotiator, but it's not in the big-picture items. However, it's important that we take care of these details, which are, at the end, completely detrimental to the trade.

Eventually, if it's possible, I would like to say a couple of words about zoning agreements. It doesn't have to be now. I don't want to take up your time.

**Mr. Richard Cannings:** I'll see if I have time at the end.

I would like to turn to Ms. Greenwood and ask about the RCC and the issues that are dealt with through that. Some of them obviously affect big companies and big export-import operations.

I have a riding that has six border crossings in it. Most of them are used by small Canadian companies that are exporting to the United States, obviously. One example I have of a small non-tariff barrier is a large nursery in Grand Forks that imports American plants that have just been planted. They grow them up over the summer, and then they export them back to the United States to be sold in garden stores around the United States.

They have run into problems whereby suddenly they have to have more inspections at the border. They need to have aisles down the middle of their trucks so that inspectors can get in. It cuts their volumes in half, so their prices double. Those little things can have huge impacts on these small companies.

I'm wondering how many examples of that you see, where it's really the small companies being affected rather than the big ones.

**Ms. Maryscott Greenwood:** It's a perfect example.

Large companies have lots of people who can deal with any administrative burden that comes their way. They don't like it, but they have people to do it. Small companies don't. They don't have teams of analysts, lawyers and staffers who can figure out whatever the new regulation is. There is a disproportionate impact on small and medium-sized companies, and on entrepreneurs, actually, who are trying to do business cross-border.

It's tiny differences of regulation that don't mean anything. If the United States and Canada could just say that if it's safe in Canada, it's good enough for the U.S. and vice versa—just a mutual recognition—that would save tens of billions of dollars in the economy. It would help governments, and it would help small businesses the most.

• (1155)

**Mr. Richard Cannings:** This is a case in which we have a plant that comes from the United States to Canada and then goes back. You would think that the same phytosanitary procedures would be good enough in both.

**Ms. Maryscott Greenwood:** They can be, if we just focus on it. We just have to pay attention to it.

**The Chair:** You have 20 seconds.

**Mr. Richard Cannings:** I'm out of time.

**The Chair:** Okay, thank you, Mr. Cannings.

We go on to Ms. Gladu for five minutes, please.

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** Thank you, Chair, and thank you to the witnesses for appearing today.

It's disheartening to hear that although we've had CETA signed since 2016, in seven years the government has been unable to address the harmonization of pork and beef specifications that are still impacting us.

Similarly, I know beef farmers in my area are trying to ship to the U.S. to get access to the South Korean market. In both cases, since CUSMA was signed, and the CPTPP in 2018, we've been five years without the government being able to do anything here.

My first question is for Ms. Greenwood.

Are you aware that the government has raised these issues of beef specification harmonization to the RCC to get them addressed?

**Ms. Maryscott Greenwood:** On the question of beef specifically, I don't know.

There is a briefing next week with the Canadian secretariat for regulatory co-operation with their White House counterparts.

There was a period of time when the White House didn't name a counterpart to the RCC. That was a delay. All the work was happening on the Canadian side, and on the U.S. side, nobody was home. That's different now. I think as soon as next week there will be a Canadian delegation coming down.

I don't know specifically about beef, however.

**Ms. Marilyn Gladu:** Thank you.

Now, I want to turn to canola. I'm extremely concerned about the risk to the canola business, which is so important.

We know that in response to Meng Wanzhou's arrest, China banned canola for three years. We've been calling on the government to help with diversification into other markets, but again, in response to foreign interference and the expulsion of a Chinese ambassador, I'm quite concerned.

I'd like to hear from our canola friends. What is the government doing to address this risk, to your knowledge?

**Mr. Chris Davison:** I'll kick that off.

Let me just start by saying that China historically and today is a very important market for Canadian canola—the largest vegetable oil consumer in the world. I would say that from recent indications, if you look at this crop year and in the past, we have had a very strong trade relationship. We know they value our high-quality canola. Obviously, Canada is the largest producer of that in the world.

To your point, we were very pleased to have resumed full market access to China last year. Our work is all about what we need to do within our capacities to mitigate risk and to maintain open and predictable market access for canola moving forward. At the same time, as an industry, we are very keen and aggressive on diversification efforts. That includes the comments made earlier with respect to other markets in the Indo-Pacific, but we've also been working very hard, for example, in the context of North America and the nascent biofuels markets that we have coming on stream in both Canada and the U.S.

It's a matter of being able to walk and chew gum at the same time. We work very hard on both fronts in terms of maintaining, and mitigating risk in, the markets we have, but also on pursuing diversification opportunities.

**Ms. Marilyn Gladu:** Ms. Whitley, would you like to add anything to that?

**Ms. Janelle Whitley:** No. I don't have anything more to add.

**Ms. Marilyn Gladu:** Okay. That's very good.

My next question has to do with trade dispute resolution mechanisms. We know we have uneven trade in all of these agreements that we've signed. Each agreement has a trade resolution mechanism.

Let's start with you, Mr. Roy. What is being done to address the inequity in pork? Is there a trade dispute under way? What's happening there?

• (1200)

**Mr. René Roy:** There is not that I am aware of; from our understanding, there is no dispute resolution regarding the non-tariff trade barriers that we mentioned earlier.

**Ms. Marilyn Gladu:** What do you think the government should be doing to move things forward to get these specifications harmonized with our CETA agreement?

**Mr. René Roy:** It's a mechanism that we should use. If it can be successful, then we are happy. If not, there are other ways, political ways and also market ways. It's not that we want to escalate things, but there are various tools we could use in terms of negotiations and just making sure it's a level playing field. We are not requesting higher access or inequitable access. We are just requesting equitable access.

**The Chair:** Thank you, Ms. Gladu.

Mr. Arya, you have five minutes, please.

**Mr. Chandra Arya (Nepean, Lib.):** Thank you, Madam Chair.

Madam Chair, I would like to place on the record my appreciation for the Canadian agricultural industry, which is so well represented here. We are well placed in the world. Canada is the fifth-largest exporter of total agricultural produce and agri-food products.

Mr. Roy, I understand the frustration of the pork exporters to the U.K. and Europe. While I want that to be resolved, I personally am not in favour of your suggestion that we try retaliatory tariffs. Though it has worked, in my view it more often than not doesn't bring you to an easy solution.

Mr. Greenwood, I'll come back to you later, if I have time, on your opinion about Bill C-282. In my opinion, it's bad legislation for Canada as a country that promotes free trade. I would like your opinion later on whether it affects Canada-U.S. trade relations, especially in the dispute resolution mechanisms before CUSMA is up for renegotiation.

First, though, I would like to go to you, Mr. Walker and Mr. Davison. I understand the problems. You've explained them. I want to know if there are any shortcomings in the dispute resolution mechanisms that we have today. Is there anything we can modify or tweak in the approach that the industry bodies and the government take to adjust the non-tariff barriers that we have seen in different parts of the world?

**Mr. Dave Carey:** There are a number of different dispute resolution mechanisms. I think the one we see that is fairly lacking right now is the World Trade Organization and the reform that needs to be done there. The United States has not appointed judges to the appellate body, so the international institution that underpins our entire international framework is lacking. We have seen leadership from the Canadian government and Minister Ng with the Ottawa Group.

There are dispute resolution mechanisms under each of our major agreements, with the CPTPP arguably being the gold standard.

There are certainly things that need to be done. Our hope, with moves like the Indo-Pacific agriculture and agri-food office, is that we're able to be ahead of these before they become trade irritants, because they are often technical barriers to trade.

We have world-class negotiators and trade commissioners, but often, for some of these new ones, as Mark and Chris Davison talked about, it's about helping to establish the path to figuring out a regulatory burden or a regulatory irritant at a technical level, as opposed to at a more political or more strategic level.

I'll defer to my colleagues Chris and Mark.

**Mr. Chris Davison:** I'll add one or two things to Dave's comments about the WTO and others.

I think there are things that can be done in our own monitoring and tracking once we have agreements in place, and we all have a role to play in that. Industry works very closely with government in that, but I think there are opportunities to potentially formalize and institutionalize that a bit more. That would be one thing.

The other thing I would say is that the nature of some of the NTBs that we face tends to be fairly technical, so there's usually a significant investment up front in terms of time and working with both stakeholders and government here, domestically, as well as internationally—wherever we may experience these particular issues.

There are mechanisms in place through various trade agreements we have. I referenced the example of a recent technical consultation with Mexico. We want to avail ourselves of all those avenues before contemplating escalating something to a higher level. That's not something we take lightly. All the sectors represented here have invested much time and effort in building up relationships in the export markets that we are shipping to. Therefore, as a matter of

course, our first stop is to work with entities and stakeholders domestically and in those markets to seek out a resolution.

Where that can get more challenging sometimes is if you have measures that are adopted without prior notification. That leaves little time for industry to either adapt, if it's perceived as legitimate, or seek clarity in terms of what the intended measure is about and what compliance may look like.

Anything we can do to alleviate that up front would be seen as beneficial.

Thank you.

• (1205)

**Mr. Chandra Arya:** Mr. Walker, please answer quickly.

**Mr. Mark Walker:** I'm mindful of the time, so I would say we have world-class negotiators, and they need to be empowered to negotiate binding dispute resolution mechanisms, supported by scientific, risk-based assessments.

Thank you.

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

We'll go to Monsieur Garon, please, for two and a half minutes.

[*Translation*]

**Mr. Jean-Denis Garon:** Thank you, Madam Chair.

My questions are for you once again, Mr. Roy and Mr. Heckbert.

There was a long conflict with the United States about country of origin labelling. My understanding is that it resulted in a billion dollars in losses for you.

Is that a one-off or is it the kind of issue that you, pork producers, and other trading partners have to face?

**Mr. René Roy:** It is a problem that could resurface because this idea, this principle, is being revived in the United States. So it is indeed something that worries us.

Country of origin labelling is fine, but we want it to be done in accordance with trade agreements. Since there is so much trade with the United States, including live animals that are sent there, this principle must be respected. Otherwise, trade frictions between the two countries will increase.

**Mr. Jean-Denis Garon:** Standards for phytosanitary measures are often a pretext for imposing non-trade barriers. It is understandable that the countries most vulnerable to such barriers are those whose scientific standards are much lower than those that are globally recognized, including for pork.

Why do you think the market you operate in is particularly vulnerable to such barriers?

Please tell us about Canadian quality standards, the ones you are subject to. Why are we especially vulnerable to such barriers? I find it a bit hard to understand.

**Mr. René Roy:** It is paradoxical indeed, because our products are recognized around the world for their quality. The Canadian Food Inspection Agency ensures that our product quality is very high. It is well-known, including in Japan, which is one of the countries with the highest food quality standards.

I would also point out that we signed an African swine fever zoning agreement with the European Union. In the event of an African swine fever outbreak in Canada, we would have a bilateral agreement. There was a swine fever outbreak in Germany, which was able to export its products to Canada. If the same thing were to happen here, however, we would not be able to export our products.

Even with balanced zoning agreements, if the trade agreements are not balanced, we will not be able to address the problem. Seventy per cent of our pork is exported. That represents a high value to Canadian producers.

[*English*]

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

Next, we have Mr. Cannings for two and a half minutes, please.

**Mr. Richard Cannings:** Thank you.

The issue of dispute mechanisms was brought up, and I'd like to turn to Mr. Carey now. It's my understanding that dispute mechanisms, especially investor-state dispute mechanisms, come into play when the investors or exporters feel they're being treated differently from domestic markets. In the case of canola and other agricultural products, if the EU has different regulations from Canada for its farmers, I can't see how those dispute mechanisms would work very well, because the EU would say, "This is what we hold our farmers to, and we are holding you to the same standard."

Could you comment on that?

● (12:10)

**Mr. Dave Carey:** Absolutely. As my colleague, Chris Davison, said, we're always hopeful of avoiding it ever getting to a dispute resolution, a formal process. It's time-consuming, and it often leads to a deterioration in bilateral or multilateral relationships.

That being said, the threat of it is an important part of a negotiation, and, as we observed with CETA, there's certainly a lot to comment on there from an agricultural perspective. One of the issues we still have with CETA is that a number of EU states have not ratified the agreement. CETA is very politicized, so there are discussions with a number of other trade deals to be dealt with without the politicians involved. Everything is sort of politicized with the European Commission, so that certainly is a concern.

Our particular concerns are around the adjudication around biotechnology and crop protection products, where the European Union just takes a different view of science from the rest of the agricultural trading world, for example, Canada and the United States.

We look to the CPTPP. It probably has the most robust provisions for adjudication, such as science-based equivalency. It also spells out the path to resolve issues. My colleague, Mark Walker, indicated earlier that sometimes it's not about signing the trade agreement, it's about making sure our trading partners follow through on the spirit of the agreements they've signed. Having trade dispute resolution mechanisms that have teeth and a real threat of using them are very important to avoid ever using them.

**Mr. Richard Cannings:** Right, so the important thing is to develop those relationships and keep those discussions going, to make sure it's clear what Canada expects.

**Mr. Dave Carey:** Absolutely. Oftentimes, in the canola sector specifically, there are portions of regulations that should be under CETA. It says the EU "may", and the interpretive EU "shall", so they really take some liberties with some of the language choices there. It is incumbent upon Canada, as a trading nation, to really focus on the implementation of trade deals. The U.S. trade representative, for example, has an entire team dedicated to the implementation of its trade agreements, which Canada does not.

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

Next, we have Ms. Rempel Garner for five minutes, please.

**Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC):** Thank you, Chair.

I'll direct my questions to Ms. Greenwood.

I'll maybe take the conversation in just a slightly different turn. Lately, there's been a lot of discussion around the government's artificial intelligence and data bill. There's a lot of stuff in the news about how various players in the space are interacting with the Canadian market right now. Recent news out of Google said it was not allowing its large language model, ChatBot, to enter the Canadian market, due to regulatory uncertainty.

Are you hearing anything from your broader community and stakeholder group about concerns regarding either the lack of transparency or the lack of ability for industry to participate in the regulatory process around artificial intelligence? The artificial intelligence regulatory process in Canada is very opaque and lengthy in terms of how AIDA is currently structured.

If you are hearing that, how do you potentially see this emerging as a very significant non-tariff trade barrier for both Canada and the United States?

**Ms. Maryscott Greenwood:** Thank you very much for the observation and the question.

I would answer by saying this: In the run-up to President Biden's visit to Canada, we saw other parliamentary committees—I don't think it was this one—singling out large American technology firms and large foreign innovative pharmaceutical firms for various levels of scrutiny and various questions. That creates a question in the minds of a lot of companies about how open Canada really is to foreign investment and companies that employ a lot of Canadians and bring technology and innovation into Canada, and how they would be treated.

When we think about AI.... There is so much emerging that it is much better for the U.S. and Canada to figure out how to work together vis-à-vis challenges around the world—whether they are in artificial intelligence, cyber or anything else—rather than trying to figure out how to have some kind of tit-for-tat experience targeting successful American firms.

• (1215)

**Hon. Michelle Rempel Garner:** I will say that it's Parliament's right to scrutinize companies. I think that's important to put on the record.

I agree with the sentiment that, for something as important an emerging field to the Canadian and American economies as artificial intelligence, there should be some sort of collaboration on the regulatory process.

Some experts have been suggesting that a global regulatory body—perhaps not regulatory per se, but more like a standards council that looks something like the civil aviation administration—would be a more productive way to approach regulations regarding AI.

Is this something you are hearing support for in your stakeholder group? If so, what are you hearing?

**Ms. Maryscott Greenwood:** I'm not sure about a global regulatory body.

What I will say, with a great deal of respect to friends and colleagues in government, is that moving at the pace of government is not anywhere close to fast enough for what's happening in any emerging technology. I think it's very important for the private and public sectors to collaborate together and trust each other enough to work on cyber issues, AI issues, nano technology and all these things, because we can learn from each other.

Our observation on the Regulatory Cooperation Council, for example—we've shared this directly with the secretary; it's in the White House and the Treasury Board—is this: What tends to happen is that there will be a call for consultation, where you can email in your thoughts. Then, the governments go away and, by themselves, try to sort out the solutions. That's the kind of thing that doesn't really work.

**Hon. Michelle Rempel Garner:** I have just a few seconds left, and I'd like to get a recommendation on the record from you that's specific to this field.

Are you suggesting that, in terms of ensuring there aren't non-tariff trade barriers coming into play with AI, the Canadian government should take a collaborative approach with the American government and industry in public, in order to ensure nimbleness in the regulatory process, as well as transparency?

**Ms. Maryscott Greenwood:** Yes, but it doesn't have to be in public. Public-private collaboration across the Canada-U.S. border would be ideal.

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

Go ahead, Mr. Sheehan, for five minutes, please.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Thank you very much, Madam Chair, and thank you to all the presenters for this very important information.

My first question will be for the council.

I'm also co-chair of the all-party steel caucus. I would be interested to hear what you think the opportunities are, from the council's point of view, for steel exports to the United States, using CUSMA as a model.

**Ms. Maryscott Greenwood:** The U.S. needs Canadian steel. The U.S. needs Canadian aluminum. I think there are large opportunities for us to collaborate together on that. Because Canada has clean, green, renewable hydro power, particularly in Quebec and British Columbia, there are all sorts of opportunities for steel and aluminum in the U.S. marketplace. I think Canada should lean into that.

**Mr. Terry Sheehan:** Yes. Thank you very much.

In Sault Ste. Marie, we're changing from a coal process to an electric arc process, which is like taking a million cars off the road. It's anchoring Algoma Steel in the community for generations to come, and I really appreciate that as well. The other thing is that hydroelectricity is the reason the steel plant is where it is, and I like the point you highlighted on that. Hopefully, we can continue to work forward.

In terms of what you mentioned in your speech, you talked about a few things, including how you can get some things in Canada and you can get some things in the United States. Sault Ste. Marie is also a border town, so I know that full well. I went to university in Michigan. The students would be asking me for various things, like Smarties, and I didn't know at the time that you couldn't get them in the United States.

Could you expand a little on that in terms of what there could be some collaboration on—not using Smarties as an example, but other things as well—where we'd have opportunities for Canadian goods and products to get into the United States to satisfy the wants of American consumers?

• (1220)

**Ms. Maryscott Greenwood:** Absolutely, and first of all, Smarties are delicious.



The thing about steel and aluminum is that they're infinitely recyclable. You can recycle them forever and ever, over and over again, so the huge opportunity for Canada in the United States is really in recycling, and that's not only in the metals business but also in things like the lithium used in electric vehicle batteries. The more Canada can become a global leader in the circular economy, in recycling critical minerals and rare earths... Canada has the engineering capacity. It has incredible standards on regulations in safety and environment.

Canada should absolutely displace, in my opinion, every other country in the world, both in the processing of these things and in recycling. I think that's a huge opportunity. Also, there's money from the United States government—a historic amount of investment—in things like the recycling of critical minerals and rare earths if Canada wishes to avail itself of it. Sault Ste. Marie is a perfect location to give as an example of that.

**Mr. Terry Sheehan:** That's just an excellent recommendation. In the process of going from the coke ovens to electric arc, they need a lot of recycled material, so thank you very much for that recommendation. Hopefully, it will make it into our report.

For the canola growers and Mr. Carey with a “Y”, I'm also a Canada-Japan co-chair, and Japan loves a number of agricultural products, including canola, as you're well aware. Canada is going into value-added, in particular in the west—and I'm glad they are—with crushers for canola, I believe in Saskatchewan and some other areas, because the Japanese like to buy raw canola, crush it over there and then put it into bottles. It's all over the place.

As we're doing this right thing and moving to value-added with canola, have you had any feedback from the Japanese or any concerns that could result in any non-tariff barriers related to canola or other agricultural products that you're aware of?

**Mr. Dave Carey:** Yes, I think the Japanese are watching closely the investments in the crush plants in Saskatchewan that you alluded to. We have a long-standing relationship with the Japanese. It's a very stable and important market. The Japanese are certainly interested in importing raw seed, and I think that for Canada, even with our crush plants coming online, the market will dictate where that commodity goes. There will be more value-added jobs created here, but we have a strong relationship with the Japanese.

I see that the chair has her light on. Otherwise, I'd ask my colleague Chris Davison to go further.

It's a fine line to walk with our traditional export markets, certainly, as we look to get more into value-added, but I feel that there will always be a market for the export of raw seed as well.

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

We have Mr. Seeback, please, for five minutes.

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

I missed your introductory statements. I was speaking to a bill, Bill C-282, on supply management, but I want to talk to the Canadian Pork Council about the non-tariff barriers that are going on within CETA.

We talk about robust dispute resolution mechanisms, but it seems to me that something's wrong. Either the dispute resolution mechanisms within CETA are not robust enough or the government has been too slow in getting those dispute resolution mechanisms up and running.

My understanding is that this has been going on for—I don't know—six years with respect to the phytosanitary issues with beef and pork. I'm wondering if you can let us know where you think the problem is.

**Mr. Stephen Heckbert:** Part of our challenge is that no one is surprised when the European Union has non-tariff trade barriers, yet they're not supposed to be intentional.

I want to clear up something for Mr. Arya. We're not seeking retaliatory tariffs. What we are seeking is that Canada join the non-tariff trade barrier game, that we have a mechanism where we would be able to say to our trading partners, if you continue to impose non-tariff trade barriers, it's possible that we will also have an analysis done about ways in which your system differs from ours.

We have some of the safest food inspection systems in the world, yet we don't have a blanket compartment—as we have granted Europe—from the EU indicating that our food inspection system en masse is sufficient for them to accept.

We run into challenges whereby they will basically suggest that certain animal welfare provisions that they want—which are simply different from ours, not necessarily superior—must be an exact match to theirs, and they move away from the World Organisation for Animal Health standards, which we more than exceed. They move away from those standards and have their own imposition of animal welfare standards that, as a grouping, simply become impossible to manage.

Their expertise at developing non-tariff trade barriers is not supposed to be something that everyone talks about and basically laughs about in the world. What we're seeking is that there be some mechanism whereby our trade negotiators have an understanding with them that if we're going to be shut out of a market as a result of non-tariff trade barriers, there's also the potential that we have a list of our own on which we could come back to them and have that discussion.

• (1225)

**Mr. Kyle Seeback:** I understand. I agree. That's one thing that the government should be exploring.

I know this is a tough question. I really want to try to get an answer though.

What is the holdup? It's been six or seven years on these phytosanitary issues. Is the dispute resolution mechanism not robust enough within CETA? If so, do you have a recommendation on how we could fix it, or is it the fact that the government hasn't advanced this rapidly enough? There has to be a reason we're sitting at seven years with no progress.

**Mr. René Roy:** The industry had worked on other markets that were profitable, so when there is a contraction, this is when we see that these markets would be so beneficial to us, but we have neglected them in the past. Now it's really important that we find solutions. On the "how", we are not the professionals on the details of the mechanism, but we would certainly have to go through the mechanism and test it, and if it doesn't work, then....

**Mr. Kyle Seeback:** Do you have any idea, then, why it's been seven years and we haven't been able to remove this non-tariff barrier? Has the government told you why it's taken seven years? I'm sure you've talked to the government.

**Mr. René Roy:** I don't have the answer on this question.

**Mr. Kyle Seeback:** Quickly, I wanted to speak to the Canadian American Business Council.

Bill C-282 is a supply management bill that is excluding supply management from trade agreements. Do you think that would make it easier or more difficult to resolve trade irritants with the United States, such as softwood lumber and potential COOL, country of origin labelling, on beef?

**Ms. Maryscott Greenwood:** It would make it more difficult.

**Mr. Kyle Seeback:** Thank you.

**The Chair:** Mr. Miao is next, please, for five minutes.

**Mr. Wilson Miao (Richmond Centre, Lib.):** Thank you, Madam Chair.

I'd like to first go to Mr. Walker, online. Last fall, a technical expert from Cereals Canada went on a training mission to Africa, and I understand that was the first time this had happened since the pandemic.

What is the purpose of these training missions, and could they perhaps aid in the resolution of the non-tariff trade barriers?

**Mr. Mark Walker:** Yes, Cereals Canada sent a team to the African Milling School in Kenya last fall. This was the first time we had been able to do so since the pandemic, due to travel restrictions.

We regularly send folks to the African Milling School to work with customers in Africa on the best use of Canadian wheat. We find it very efficient and very useful. It's a great facility.

We take Canadian wheat from Canada and send it to the school, and then they're able to train on best practices and best uses of the product. Nigeria is our top market in Africa, along with Ghana, so we bring those people in and it's just a great way to learn and share knowledge.

**Mr. Wilson Miao:** Thank you.

How would you describe the overall impact of NTBs on the Canadian cereal industry's ability to access international markets?

**Mr. Mark Walker:** It depends. It's on a case-by-case basis, of course. What we have found, and what we know, is that sustained, persistent government-to-government engagement and industry-to-industry advocacy are the best path forward to overcoming these barriers when they arise, as well as Canada's championing of risk-based scientific assessments.

**Mr. Wilson Miao:** Thank you.

Next I would like to turn to Mr. Davison and Mr. Carey.

The majority of Canadian canola is exported as meal, oil and seeds, but I'd like to ask you about the advancement of canola as a biofuel. Can you provide an overview of the market and whether there are any NTBs tied specifically to biofuel exports?

● (1230)

**Mr. Chris Davison:** I'm happy to kick that off and have Dave add to it.

I guess I would make a few comments.

We're very excited about the developments that have taken place in North America—in Canada and the U.S.—recently. As you will be aware, as of this July, Canada's clean fuel regulations will come into effect. On top of that, canola was recognized as an advanced biofuel recently in the U.S. That's something that's happened over the course of many years, but with a recent favourable EPA decision in that regard....

I also don't want to leave out that we've had significant biofuel-related canola trade with the European Union for a number of years as well.

I think there are some very exciting things happening in that space. In particular, at this time, I would highlight the developments at home in Canada, and in the U.S., in terms of their implications and opportunities going forward. I would say it's a significant part of what's driven the investments, which were alluded to earlier, that are happening in places like Saskatchewan.

**Mr. Wilson Miao:** Mr. Carey.

**Mr. Dave Carey:** Just quickly, without the biofuel market in the EU, our exports there would be almost non-existent to the European Union, given the way they treat biotechnology and crop-protection products. All of our canola that's destined for the European Union is destined for the biofuel market, so it's a very important one. However, the market access gains we've had there are as a result of their local biofuel economy, as opposed to any benefits from CETA, unfortunately.

**Mr. Wilson Miao:** To follow up with that, how do intellectual property rights such as patents or trademarks affect the export of Canadian canola technology or innovation due to NTBs?

Mr. Carey.

**Mr. Dave Carey:** It really depends on what you're exporting it for. If you export canola as a seed for crushing, it could be used in any way that jurisdiction uses it, as appropriate. There is intellectual property attached to the creation of that seed variety, and that is often patented.

Our non-tariff trade barriers aren't so much an intellectual property on canola; they are more on asynchronous approvals of genetically modified events or on the use of modern crop-protection products.

My colleague Chris Davison might want to weigh in on that.

**Mr. Wilson Miao:** Mr. Davison.

**Mr. Chris Davison:** I agree with that assessment 100%. A lot of NTBs are things that people often don't see or hear about. It could be a departure from international standards; it could be increased processing times; it could be stepped-up inspections where they're not warranted—all these things. A lot of them are procedural based, or other factors that are not visible to most people most of the time.

To Dave's point, while there are some that are tied to intellectual property, I would say that the vast majority are not.

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

Next is Mr. Garon, please, for two and a half minutes.

[*Translation*]

**Mr. Jean-Denis Garon:** Thank you very much, Madam Chair.

My question is for Ms. Greenwood.

Ms. Greenwood, Canada is currently in free trade discussions with India and countries in Southeast Asia. Representatives from Amnesty International have appeared before this committee and highlighted the human rights violations in India, especially since Prime Minister Modi came to power.

We also heard about serious human rights violations in the Philippines and Malaysia, among other places. There is also the issue of environmental rights, including in relation to the production and export of palm oil.

Would you support the future implementation by Canada of non-trade barriers in certain circumstances, specifically to prevent the entry of merchandise that was produced unfairly and at too low cost?

[*English*]

**Ms. Maryscott Greenwood:** My expertise is on Canada-U.S.

What I would say is that Canada is known for its values, and it uses the tools in its tool box as it needs to in its trade agreement. With respect to India and the Philippines, I don't have a good answer for you.

[*Translation*]

**Mr. Jean-Denis Garon:** That's fine, thank you.

Would any other witnesses like to say something about this?

**Mr. René Roy:** We must ensure that the products entering Canada meet certain standards. When the two countries do not have

the same standards, we say there are non-trade barriers. The standards must be spelled out in the agreements if we do not want to destabilize our industry.

It is while the agreements are being negotiated that the standards must be established, including with respect to human rights. The same thing applies for quality standards so we don't end up with dangerous products in Canada.

● (1235)

**Mr. Jean-Denis Garon:** Thank you very much.

[*English*]

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

Mr. Cannings, you have two and a half minutes, please.

**Mr. Richard Cannings:** Thank you.

I'm going to turn to Ms. Greenwood to follow up on Ms. Rempel Garner's line of questioning on big data companies, AI, etc.

First, I would make the comment that some of those hard questions being asked of the big digital companies were around getting them to pay for content and to pay their taxes, just like we ask Canadian companies to do, so it was more on that fairness aspect.

That aside, on this idea that we have to move faster than the speed of government here, we have Bill C-27, which probably won't get to committee before the fall, so that's going to be moving slowly. We have a subject like AI, which is developing very quickly and a lot faster than people imagine, probably, yet it will transform our world.

How do we do that faster than the speed of government and do it with the care that it deserves?

**Ms. Maryscott Greenwood:** I'm all for hard questions, by the way. I wasn't worried about hard questions. Anyway, we can get in to that.

I think the U.S. defence department is pretty good at collaborating with the private sector on certain new, innovative technologies. I also think that NASA and the Canadian Space Agency are good examples of how the government and the private sector can come together on future cutting-edge industrial developments. The real key here is for that public-private collaboration to have conversations where we're not in our separate corners but actually talk with each other.

The U.S. Department of Energy is another area where there is a fair amount of public-private collaboration. I think there are ways to do it, but you have to have the will to do it in the first instance.

**Mr. Richard Cannings:** With the concerns that people have around privacy, data protection, etc., would they feel comfortable co-operating with the U.S. Department of Defense, for instance?

These are the questions I have.

**The Chair:** Please give a brief answer, Ms. Greenwood.

**Ms. Maryscott Greenwood:** Privacy is incredibly important, and you have to figure out how to protect it. A lot of private sector companies have figured that out.

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

The bells are ringing for a vote. Do we have unanimous consent to continue with our agenda until one o'clock?

**Some hon. members:** Agreed.

**The Chair:** Okay.

Mr. Martel, you have five minutes, please.

[*Translation*]

**Mr. Richard Martel (Chicoutimi—Le Fjord, CPC):** Thank you, Madam Chair.

My question is for Ms. Greenwood. I know she likes difficult questions. That is what I have heard.

Radio-Canada just issued a report about Stellantis halting construction of its battery factory because of a dispute with Ottawa. They maintain the government has not lived up to certain things. South of the border, Mr. Biden is accelerating critical mineral projects.

Ms. Greenwood, what are your thoughts on what is happening right now?

[*English*]

**Ms. Maryscott Greenwood:** I think it's very difficult to compete in the subsidy game. Where I think Canada can compete and win, however, is in certainty on developing new processing facilities. If Canada were to introduce regulatory certainty and timing into how it approaches big infrastructure projects and big critical mineral projects, that would be a game-changer in the world. The U.S. has changed the arithmetic by massive subsidies. Canada could change the rest of the equation if it maintained its high standards but put some certainty into if a company meets those standards—not only standards for the environment and labour but also with indigenous collaboration.

If Canada would institute certainty and timing into that, it would be a game-changer. Right now, it's moving too slowly, and there's not enough certainty, in our opinion.

[*Translation*]

**Mr. Richard Martel:** Thank you, Ms. Greenwood.

Why is phosphate not yet on the list of critical minerals in Canada? Why has the government not put phosphate on that list?

• (1240)

[*English*]

**Ms. Maryscott Greenwood:** I have no idea. The list between Canada and the United States isn't the same. The U.S. doesn't rec-

ognize copper as a critical mineral, either. There are a lot of things that people think should be on the list.

I don't have a good answer for you, though. I'm sorry.

[*Translation*]

**Mr. Richard Martel:** It is important for the battery sector. That is the direction we are going in.

[*English*]

**Ms. Maryscott Greenwood:** Absolutely.

[*Translation*]

**Mr. Richard Martel:** Ms. Greenwood, in a study conducted in 2019, Statistics Canada stated that non-trade barriers are the main sources of trade friction with the United States.

In your opinion, what are the most important non-trade barriers that affect Canada's exports to the United States?

[*English*]

**Ms. Maryscott Greenwood:** It's because there are all kinds of mischief when it comes to trade policy.

[*Translation*]

**Mr. Richard Martel:** Which sectors in Canada are most affected by non-trade barriers?

[*English*]

**Ms. Maryscott Greenwood:** A lot of sectors are affected, but it's agriculture, as you've seen from the testimony today.

You haven't heard from the Prince Edward Island potato growers, but we could have a whole long discussion about what the U.S. did to exclude P.E.I. potatoes from the market. I was involved in that, with a different hat on.

It's agriculture in particular. It's not just the U.S., as you've heard. It's around the world. It's important to tackle those.

Thank you.

[*Translation*]

**Mr. Richard Martel:** Very interesting, thank you.

[*English*]

**The Chair:** Mr. Virani, please.

**Mr. Arif Virani:** Ms. Greenwood, I'll start with you, but others can feel free to jump in.

This is my second turn. I've been listening. I guess some of us are doing some reflecting on where we are, but also why we are where we are at this juncture in time.

You just mentioned, Ms. Greenwood, this issue about agricultural exports. We are a trading nation, as many people have pointed out. We are an agricultural exporter. We feed a large part of the planet. The food crisis around the planet has become only more acute in the last 18 months, given Russia's illegal invasion of Ukraine.

For the stepped-back observer, one would think that in this context there would be fewer barriers to getting our cereals to markets around the planet, as we heard from Mr. Walker, yet we're still seeing so many SPS measures.

How do we square those two? Is it just bad faith or mischief, as you just put it down to? How do we understand why it's happening and particularly why it's happening now, when there's so much global food insecurity?

**Ms. Maryscott Greenwood:** There's a lot of competition around the world. There's a lot of mischief.

The idea that Canada could get tough, focus on some of these non-tariff barriers and be prepared to really fight for Canadian industry is a key takeaway here.

When Canada perceived a near-death experience during the previous U.S. administration, with Donald Trump's tariffs on steel and aluminum, Canada put up its dukes and really engaged in a very serious conversation with the United States. That doesn't happen every single day in every single market. You have to be careful about how you do that and when you do that, but I think getting tough on behalf of Canadian industry is something that Canada, from time to time, will need to do.

**Mr. Arif Virani:** Let me turn to you, Mr. Heckbert.

You mentioned, in response to what Mr. Arya said, that it's not about tit for tat. It's not about retaliatory tariffs, but it might be about still staying in the same vein, where if an NTB is imposed upon us, perhaps we raise the spectre of an NTB.

Can you elaborate on that?

I appreciate what you're saying, Ms. Greenwood. The list is long. I remember Mary Ng and Chrystia Freeland also pushing back hard on the Build Back Better plan and the EV tax credit issue. That was with success.

Mr. Heckbert, explain to us what you're talking about if you're not talking about a retaliatory tariff.

**Mr. Stephen Heckbert:** At this moment, I think it would surprise the world if we had a list of possible non-tariff trade barriers that we shared with our partners.

If we could come up with a list of things, we could say to the U.K. or to Europe, for example, that it actually turns out we have a whole bunch of things that we also think they need to improve on.

It's the notion that we would enter into the discussion, so that we could be a bit tougher. We could come in a bit firmer and have a point of view that would show some of our trading partners that we know they have non-tariff trade barriers. That's what they are; they're not a surprise to us; they are in fact intentional, and we intend to have a similar list. We would go back to them to say that if

they continue to increase and block our products, they should know that we have similar mechanisms under consideration.

It would simply level the dialogue, so that no one would be surprised to see that Canada also could enter into those discussions.

• (1245)

**Mr. Arif Virani:** Can I bring Mr. Carey into the discussion?

You mentioned about 20 or 30 minutes ago the work that Minister Ng is doing with WTO reform in the Ottawa group. It seems to me that if there is a shorter- or medium-term response, which is what Mr. Heckbert is suggesting, then the long-term response cries out for some sort of international harmonization.

All of you guys talk about science, science, science. We like science. I believe in science-based policy. It's a good content.

Where do we go in terms of broader medium- and long-term solutions, and is that Ottawa group type of leadership needed in other fora? That's restricted to the WTO. Is there a venue there for some sort of science-based approach and harmonization of standards, particularly when you get down to SPS and how it affects agriculture?

**Mr. Dave Carey:** I'll maybe ask my colleague, Janelle, who does a lot of work with international institutions, to provide her perspective.

**Ms. Janelle Whitley:** There are a few things Dave mentioned. There's modernization at the WTO and getting the dispute settlement appellate body back working appropriately.

There are also other series of modernizations around an agreement on agriculture. We have an agreement on SPS measures that's currently in place. Countries are looking at how it could be better applied and used in terms of where we are today in agriculture. There are some avenues at that level. The SPS agreement actually has language that commits to science and commits countries to putting in measures in a way that does not block trade, and to adhering to international standards such as Codex. There is language that exist in our international agreements.

I think more largely there's a lot of work to do with our allies internationally to uphold a global framework for clear and open trade. I think we've seen with the pandemic and the illegal war in Ukraine that there have been some erosions of this international framework. Anything we can do internationally to maintain and promote it will have value in the long term.

Again, with that, I think Canada has always been a leader at Codex and in international standards. I think that creates a framework we can use, so we do not have to deal with a patchwork of standards. If we had one, then that would help pivot among markets and help reduce some of the market risks we've been talking about today.

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

I want to thank all of the witnesses very much for all the information.

To the committee members, we were scheduled to go in camera for a few minutes. I'm going to suggest we don't take the time to do the switch, and we just stay in the public session.

I will suspend for one minute for our witnesses to leave.

• (1245) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1245)

**The Chair:** I'm calling the meeting back to order.

I think everyone has a copy of the proposals for our trip to Washington. I think the clerk has done an excellent job.

Do you want to speak to it briefly? Are there any additions or changes?

**The Clerk of the Committee (Ms. Sophia Nickel):** Sure. In terms of change since this was sent around, we have had a confirmation from the Office of the U.S. Trade Representative. We will be going to their offices.

The plan right now is to have meetings with stakeholders at the embassy from 3:00 to 4:30, then head over there and start the meeting with the Office of the USTR at 5:00.

We're also potentially looking into a working dinner on the evening of May 23—that's the Tuesday—with the Canada Institute at the Wilson Center. That would be potentially at our hotel.

**The Chair:** I think Ms. Greenwood, in her significant role.... She wasn't on our list, somehow. If we were able to find some time to include her on our list, it would be valuable, if it's possible.

Is there anything else on that?

The meeting on Thursday will be with Global Affairs and the other officials. We have a full, formal briefing on Thursday.

• (1250)

**Mr. Kyle Seebach:** Do you mean this Thursday?

**The Chair:** It's this coming Thursday.

This coming Thursday's meeting, May 18, will be a pretravel briefing with Global Affairs Canada and a final review of our itinerary.

Yes, go ahead, Arif.

**Mr. Arif Virani:** First of all, thank you to the whole team that's putting everything together.

I'm glad we're actually going to the Office of the USTR, because it seemed to me, in the earliest draft, that for the section from 3:00 p.m. onwards on the Tuesday, only the Alliance for Automotive Innovation was confirmed. I want to know if you could just update us on the National Association of Homebuilders. We've all agreed that's a really important one.

I'll just put out there that if others can't come to the embassy, can we go to them? Please make that offer. I think they're important enough that I'm sure all of us would be willing to go to them.

On the last piece, on the Wednesday, can we make sure we're getting a bipartisan balance? I say that because right now it's roughly balanced. It's four from one party and three from another. It's just to make sure we have a bipartisan balance.

Finally, can you update us about senators? I think every single person we're meeting with is a member of the U.S. House of Representatives. Did any senators come through? I thought the Senate was sitting that week.

It is not. Okay. There you go.

**The Clerk:** The Senate is not sitting, so we have received word that we could potentially meet with the staff of senators, but no senators are available.

**The Chair:** It was pretty clear that the committee wanted to meet with elected officials from the beginning, which is what the clerk has been trying to do. It will be a work in progress, so you will continue to get updates and, if anything raises a big red flag or a concern, please let me know and we can make any adjustments that we need to make.

Is there anything else on the travel? I'm not seeing anything.

Thursday, of course, we're doing the pretravel, and the next Monday, May 29, we will begin the study of a draft report on Canadian mining firms abroad. That's what we will be doing when we come back from the break week.

All right, not seeing any other concerns....

I'm sorry; go ahead, Mr. Cannings.

**Mr. Richard Cannings:** I just have a question about Thursday's meeting. I'll be on a plane. I assume that the meeting will be here or somewhere similar, so my replacement could—

**The Chair:** It will be our regular Thursday meeting.

Thank you.

The meeting is adjourned.









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