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**EVIDENCE**

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**Chair**

**The Honourable Mark Eyking**

People in developing countries will die as a consequence of the TPP. It's a critical time in the fight against the AIDS pandemic. We now know that early aggressive treatment with ARVs can almost completely suppress the virus and prevent its transmission. It's now possible to imagine a world free of HIV/AIDS, but only if low-cost medications are available to the world's poorest people.

MSF, Médecins Sans Frontières, have said that the negative impact of TPP will be enormous, making it much harder for us all to get the life-saving medications we need. Canadians will also feel the impact here at home. We at the moment have the second-highest drug prices in the world, and patent protection will mean more costly medications for Canadians too.

Canada's foreign aid is committed to helping the poorest of the poor. Recently, on the world stage as a responsible global citizen, we have stated our support for the UN's sustainable development goals, and Prime Minister Trudeau openly stated support for the UN 90-90-90 targets for HIV/AIDS reduction.

**The Chair:** Sorry—

**Ms. Jennifer Neal:** I'll just finish the sentence.

If you believe those two things, you cannot be supporting this agreement. We should be standing up for a voice against this agreement, because it puts people's lives at risk in the service of profits.

Thank you very much.

**The Chair:** Thanks very much for your submission and your compassion. Is there a grandfathers' group out there?

**Ms. Jennifer Neal:** There isn't, but they're welcome to join GRAN. We're not exclusive in any way.

**The Chair:** Okay. I'm a grandfather now, so...

Okay, we have the National Farmers Union, Terry Boehm.

Welcome. We've seen you around before in Ottawa. It's good to see you and be in your neck of woods here.

Sir, you have five minutes. Go ahead.

**Mr. Terry Boehm (Chair, Trade Committee, National Farmers Union):** I would like to thank the committee for the opportunity to speak to this trade agreement, and for their travelling outside of Ottawa to meet with us today.

NAFTA, WTO, CETA, Trans-Pacific Partnership, FIPA, TAFTA, TTIP—these are all a progression of agreements that are essentially ceding national sovereignty to so-called trade agreements. The agreements are largely anti-democratic, and one of the biggest reflections of this is in the secrecy of the negotiations. I recall the debate over the Canada-United States Free Trade Agreement, and then later NAFTA. This was debated openly, and the text was published openly at the time.

Now, we have seen a shift in how citizens are regarded in the process of negotiating these pieces. These are really corporate constitutions. Trade liberalization is a political philosophy, replacing the state with private enterprise and markets. It's not about deregulation or liberalization, but free regulation in the corporate interest—and of the largest corporate interests in the world.

Canada is adjusting legislation just to enter into negotiations. For example, UPOV 91 last year was commissioned in order to get into this. New Zealand is required to adopt it within three years of the Trans-Pacific Partnership being instated.

We are giving up sovereignty to investor-state dispute settlement mechanisms, as we previously have in NAFTA in chapter 11, and this leads to a regulatory chill. But this new breed of agreements is now penetrating to the subnational level, both to the provincial and municipal levels. All provisions of earlier agreements giving “most favoured nation” status are grandfathered into the next agreement.

What is “most favoured nation” status? Well, you cannot give a local supplier of a good or service any more favourable treatment than you would give to any other party that is kin to these agreements. Of course, one agreement also leads to any other. TPP says that if you have granted to any other party favoured-nation status in any other regard, you have to grandfather it into this one. Of course, this has detrimental effects for those local businesses, and then the taxpayers who are paying for the projects.

Government procurement is a big issue. At the federal level, \$135,000 is the threshold at which this agreement will apply, and at the provincial and municipal levels it is \$335,000, which is not very much. It's \$5 million for construction projects.

Along with this, there's the prohibition of offsets in these agreements.

How is an “offset” defined? An offset means any condition or undertaking that encourages local development or that improves a party's balance of payment account, such as the use of domestic content, the licencing of technology, investment, counter trade, and similar actions and requirements. Fundamentally, if you're in a balance-of-trade deficit position, never except for a very short period of time in an emergency situation can you do anything about it with another trading party.

Then we get into expropriation or tantamount-to-expropriation regulations. Again, regulation in the public interest could be construed as a tantamount to expropriation, preventing a private entity from exercising its rights over its property. Again, this leads to a regulatory chill for the individual nation state.

Intellectual property in these agreements is extended to third parties. There's privacy of data, but local food policies are jeopardized by cover procurements, whereby government entities, municipalities, universities, schools, hospitals, etc., would procure local food but would be restricted from the most-favoured-nation status requirements.

In conclusion, we used anti-combines legislation in the past to break up private near-monopolies because the government saw the harmful impact on our economies. Now we have international corporations that are dwarfing these earlier entities, and we put trade agreements in place to bolster their strength economically and politically.

• (0930)

The two are not separate. These behemoths are fragile and often inefficient, but they need governments to enforce their power and privilege against their citizens. We give up to a large extent our ability to govern in the public interest.

I'll close there by concluding that in the agriculture sector I represent we've gone through a number of these agreements over time, and we've seen a reduction in the number of farmers, an increase in the average age, and a massive increase in the average debt load. I would challenge the presumption these have been beneficial to the agriculture sector. I would endorse the previous person's comments.

**The Chair:** Thank you, sir.

Thank you for your submission.

We're going to move over to the Saskatchewan Association of Rural Municipalities, and Mr. Raymond Orb. Welcome.

**Mr. Raymond Orb (President, Saskatchewan Association of Rural Municipalities):** Good morning, ladies and gentlemen.

It is my privilege to speak to the House of Commons international trade committee this morning. My name is Ray Orb, and I am the president of the Saskatchewan Association of Rural Municipalities, also known as SARM.

SARM represents all of the 296 rural municipalities in Saskatchewan. Rural municipalities are home to farmland, oil and gas, potash, and other natural resource industries that are important to both Saskatchewan and to Canada.

According to the 2011 census of agriculture, Saskatchewan accounted for just over half of the canola area in the country, about 48% of the spring wheat area in Canada, and approximately 40% of total farm area in Canada. With such vast farmland, and so many farm families contributing to our communities, SARM has a keen interest in the TPP because of what it means to the economy and the benefits it would bring to farm families.

For Saskatchewan's economy, the TPP region represents 45% of total exports in 2014. During that year, Saskatchewan totalled \$13.9 billion of agricultural exports, which is a 19% increase from 2013. The province is well on its way toward its goal of \$15 billion in agricultural exports by 2020.

Saskatchewan is also the second largest beef producer in Canada, producing more than a billion dollars' worth of beef annually and approximately 4.3 billion dollars' worth of value-added products that are shipped annually. The value-added processing will increase with the TPP agreement.

The TPP represents not only a great opportunity for Saskatchewan's economy, but also for producers, as they would gain better access to markets through the reduction and removal of tariffs that would be phased in with the TPP. Growth and investments would increase in the value-added sector as well through better access to the Pacific markets for processed products, including canola oil, beef, and pork.

SARM has taken opportunities to promote and raise awareness of the importance of the TPP. This includes a news release in October 2015 and a letter of support to both Premier Wall and the Saskatchewan Minister of Agriculture. During SARM's Ottawa lobby trip, which took place this last February, some representatives met with members of Parliament and department officials.

Agriculture has been, and continues to be, a consistent contributor to the economy even during times of economic downturn, as seen now in the oil and gas sector. Ratification of the TPP would support and bolster the agriculture sector in Saskatchewan and across Canada.

While the TPP would provide benefits to the agriculture sector and market, it is important the infrastructure be in place to support the increased activity that would occur. As Saskatchewan farmland is dispersed across the province, rail level of service is a vital mechanism for us to get our products to market. We have seen what occurs when the rail level of service is unavailable or is unable to meet the demand. Shipments are delayed by weeks and contracts aren't honoured. It is important for Canada to be able to efficiently meet its trade obligations, and it is equally important for product to get to markets so farmers can support their farms and farm families.

The infrastructure needs aren't limited to the rail level of service either. Funding for rural roads and bridges is necessary for ensuring that products get to key points for shipment, such as grain terminals and loading facilities. If these supporting projects aren't completed there will be serious challenges in the future. SARM is hopeful the Canadian Transportation Agency review and subsequent discussions will produce initiatives and amendments that contribute to a world-class rail system.

For SARM, the TPP represents a positive opportunity the many farm families across the province and the country can enjoy. It also reminds us of the importance of ensuring that we have the necessary

—  
• (0935)

**The Chair:** I'm sorry. If you want to wrap up, you have half a minute.

**Mr. Raymond Orb:** —infrastructure in place to be competitive traders and producers.

Thank you for the opportunity to speak today.

**The Chair:** Thank you, sir, and thank you for that snapshot of how much Saskatchewan produces. It's a great contributor to our economy in Canada to say the least, and the numbers are amazing.

We will now hear from SEIU-West. We have Catherine Gendron.

Please go ahead.

**Ms. Catherine Gendron (Project Coordinator, Service Employees International Union-West):** Good morning, and thank you for the opportunity to address the Standing Committee on International Trade. The SEIU-West mandate is to improve the lives of working people and their families, and together, lead the way to a more just and humane society. That is why our union is taking a stand against many proponents of the TPP. This trade agreement must be seen for what it is, a corporate bill of rights.

In fact, of the 30 chapters in the TPP, only five of them pertain to trade. While there are many areas of concern within the TPP, today our focus will be on the impact on Canadians' access to health care and our right to a democratic society free of corporate rule.

The ISDS system truly embodies the corporate power that's built into the TPP. It allows foreign investors to challenge government actions through lawsuits claiming that these actions, even actions that clearly serve the public interest, expropriate their assets. These lawsuits are heard outside the traditional court system in private tribunals whose decisions are binding.

Therefore, ISDS essentially shifts power from the courts, legislature, and our government meant to represent the people, to foreign investors and a small group of lawyers who are often called upon as arbitrators. This alternative to our court system is available only to foreign investors, thereby raising basic concerns about equality before the law.

In addition to tribunal costs and penalties, Canadian taxpayers pay the price for ISDS in the form of lost sovereignty, lost accountability, and as I outlined, higher health and drug care costs.

Under NAFTA, Canada already knows the disturbing repercussions of this process. There is evidence that Canada has been the target of more ISDS actions than any other developed country. In the pharmaceutical sector, Canada is facing a large lawsuit from a hugely profitable U.S. drug company, Eli Lilly and Company.

The Supreme Court of Canada rejected Lilly's claim for extended patent protection on two of its drugs. In an act that shows contempt for the Canadian justice system and the health needs of Canadians, Lilly has now turned to the NAFTA ISDS process and is claiming half a billion dollars from our government.

Under TPP, Canadians will likely face more costly and frivolous ISDS lawsuits like Eli Lilly's, as well as growing pharmaceutical prices due to longer waits for generic drugs. Powerful pharma companies were not satisfied with the outcome of the TPP negotiations. As a result, we expect that the pharma industry will be even more assertive in demanding the strictest interpretation of the TPP relating to medication.

In the wake of the Panama papers scandal and the recent use of tax inversion strategies by U.S. corporations like the drug giant Pfizer, we see how clearly society is warped to corporate favour, and how easy it has become for the rich and powerful to avoid the laws of democratic countries.

People around the world are recognizing and denouncing this blatant injustice, yet the TPP further entrenches corporate power. TPP will enhance patent protection for pharmaceutical companies that claim they need this enhanced protection to provide adequate

financial incentives and returns for their research and development, R and D. These claims ring hollow given the large and growing profitability of the pharma sector, and stats show that the R and D to sales ratio in major pharma corporations actually fell to its lowest since 1988.

The billions of dollars in profits seen by the pharma industry have been fuelled by extremely high medication prices. One in 10 Canadians are unable to fill their prescriptions due to high prices, resulting in inhumane health outcomes for much of our population. High drug costs often lead people to ration or otherwise underuse the prescriptions they do fill. It is estimated that if Canadians were to use their prescriptions appropriately, one in six hospital visits could be eliminated and \$79 billion could be saved in health care costs.

In relation to the TPP, ISDS would be a major roadblock to the implementation of a Canadian pharmacare plan. We're the only developed country in the world that has universal health care but no national drug plan.

Currently, two federal parties support a national pharmacare plan, and we know the Liberal government is making drug affordability a major priority. Yet because the TPP enhances patent protection, cheaper generics are kept off the market for longer periods of time. The only feasible way to achieve pharmacare is by ensuring affordable medications.

The TPP also reinforces privatization. If a Canadian government or public authority chose to contract out a public service, a future government with a different viewpoint could not opt to bring that service back to the public without risking a disruptive and expensive ISDS lawsuit. Of concern in Saskatchewan is the potential for further privatization of our health care. Saskatchewan contracted out its hospital laundry services and opened the doors to private MRIs. Public-private partnerships are also becoming more common.

The TPP investment chapter includes a provision on P3s, and although the footnote excludes health care, SEIU-West is concerned that arbitrators will refuse to apply the footnote to health care support systems such as maintenance, food services, admin, and other support services that contribute to the health care team. The risks posed to Canada's public health care system are seen in the European ISDS case that is included in our written submission.

It is distressing to know that a choice made by the people could be subject to interference by a corporation. Big businesses should not be able to interfere in the laws and rules of a sovereign state. If they can, how can—

• (0940)

**The Chair:** Excuse me. You have 15 to 20 seconds to wrap up.

**Ms. Catherine Gendron:** Yes.

If they can, how can it be called a democratic society? It was the Harper government that joined the TPP, and public outcry made this a major election issue. The Liberals were then elected on a mandate of real change, yet here we are in a room with only 12 witnesses, who were mainly invited to speak to business interests. Throughout today's consultation process we are made aware that no individual citizens were invited to speak, yet SEIU-West is aware of many who applied. How can we call this a public consultation? It is no wonder there is a noon-hour rally and public consultation in response to this lack of transparency.

We know that a small representation of civil society, labour, and small business were invited to the negotiating rounds, but it is clear that while we were invited, only corporate interests were heard. We implore the Standing Committee on International Trade not only to hear what is being said, but to listen with intention and consider the people's rights. At this point the TPP does not, so it should not be ratified.

• (0945)

**The Chair:** Thank you very much for your submission.

As you noted, for anybody who cannot speak directly to us, we take submissions right up until the end of June. We also encourage MPs to do open houses. They can deliver submissions to us also. We're going to try to get as much as we can into our report from all Canadians.

On that note, we're going to move on to questioning. Each member has five minutes and the Conservatives are starting off.

Mr. Van Kesteren, you have five minutes, sir.

**Mr. Dave Van Kesteren (Chatham-Kent—Leamington, CPC):** Thank you, Chair.

Thank you all for coming here. I would note very quickly that you said we're not giving the opportunity for people to speak. We invite groups, of course, to speak. If we asked all the farmers to come, there would be 15,000 farmers, I suppose, but I think they're probably busy at this time of year. You represent one group, and there are others who represent other groups. I think we're doing a pretty good job, and I think all committee members would agree with that.

I want to start with Mrs. Neal.

Thank you for doing what you did in Africa. I know you have a real heart for Africa. Thank you also for the work that your advocacy group does as grandmothers. I'm not a grandmother, as Mr. Eyking and I both know, but my wife is, and we have 35 grandchildren. I know your heart for grandchildren.

I've been to Africa five times and I've visited six countries. I have seen the devastation and I have seen the poverty. I've been to the townships in South Africa just recently. I just came back from there.

I've seen all parts of it, including South Sudan, one of the poorest countries in the world.

I don't have much time. I just wanted to mention quickly that part of the job that we all do here—and I've had the great fortune of representing my riding for 10 years—is just an incredible learning experience. I've served on a number of committees, and a number of those committees dealt with the very issues that you're talking about. I think I was on the foreign affairs committee when the need for drugs for AIDS was the pressing issue.

I think it's good to note that the Canadian government has made provisions—and I think you would agree with that, too—for AIDS drugs. I know that your concern is for future drugs, but I trust our government. I trust our people. I trust that when that issue arises—and we've had examples of that in the past—we will continue to meet that need.

Finally, I would add that to suggest anybody here doesn't have that same compassion for the poor and downtrodden is just plain wrong. We might have a different idea as to where we're going, but that's why we're here. That's why we're listening to your presentation.

I'll give you a chance to respond, because it's not fair to just make a comment. I'm trying to get right across the whole line here.

The other thing I really want to lay out, which I think has really become evident, is that the people you are talking about, the corporations, for the most part are smaller farmers. We have heard from them—and I'm not saying that has been the only testimony, but specifically here in this province—that there is a real desire for this agreement to take place.

People that you and I both know in the rural areas—and you probably know them a lot better—see this as a huge advantage for farmers and for workers. They talked about the increase in employment that would take place. What do you say to those people?

I guess I'd ask the same to you too, Mr. Boehm. These are the people who are telling us—

**The Chair:** Just to let you know, you have one minute left, if you want them to answer the question.

**Mr. Dave Van Kesteren:** Okay. What do you tell your neighbours that are telling us they want to see this agreement take place?

**Ms. Jennifer Neal:** When you said all Canadians feel like we do and have this compassion—

**Mr. Dave Van Kesteren:** I'm talking about Saskatchewan.

**Ms. Jennifer Neal:** You originally said that Canadians, in general, have the same compassion. You've been to Africa and seen that same compassion. I don't see that coming through and actioned. We have not provided...these countries have to have low-cost medications.

• (0950)

**Mr. Dave Van Kesteren:** They do.

**Ms. Jennifer Neal:** Well they haven't...a lot of India, at the moment, makes their drugs at low cost and—

**Mr. Dave Van Kesteren:** Canadian companies have that compatibility and have the rights to—

**Ms. Jennifer Neal:** —Canadians have not done well with that at all. Think about what's going to happen say, to PEPFAR, the U.S. President's Emergency Plan for AIDS Relief. That has been the most successful fund that's supported and given drugs to Africa. That relies 98% on generic drugs. If you're going to have this agreement, that is going to make those drugs a lot less available and people are going to die because of it. There is no doubt about that.

In this country we'll maybe have rising health costs. It could still cause deaths, I'm sure, in this country, but in those countries it will cause deaths in the millions. These countries cannot afford the medications from pharmaceutical companies. You have to have low-cost, generic medications. If you can get them into those countries, you could stop this infection rate, right?

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

There will still be time to add some more to what you have.

We have to move on to the Liberals now for five minutes.

Ms. Ludwig, go ahead.

**Ms. Karen Ludwig:** Thank you, Mr. Chair, and thank you all for your presentations.

I want to thank you for sharing your experiences, your concerns, and your hopes, not only regarding this agreement but also in terms of Canada, in general. I think that's what we are all here for, to promote our country to be the best that it can be, and to also offer, internationally, the best opportunities we can.

I will say to Mrs. Neal, who is a grandmother—I'm fortunate right now that I'm not, my daughter is only 20—thank you for the work you have done in Africa. My sister was a victim of AIDS, so I certainly appreciate your work. My sister lived here in Canada. When we look at medication costs and others, we do have those issues here as well.

In terms of small business and farmers, we have heard from a number of groups across the country, and as my colleague from the other side has mentioned, they are groups that represent small business. We have heard from national associations that have talked about businesses in Canada, and 98% of our businesses are small businesses. Across the panels, if there's opposition, it's usually about corporate self-interest. I do want to keep in mind, and keep it in perspective, that most of the businesses we're talking about, and are addressing, and have come to us, are representing small business.

As a teacher for international trade for the last 20 years, one of the things I made mandatory in all of my teaching for business plans—and I've won awards for it—is corporate social responsibility. Outside of the agreements, and any trade agreement, as business people and as Canadians, we have a responsibility to do the best thing, and I think many companies do.

In terms of drug costs, yes, there are significant issues internationally, and your voices are definitely being heard here. We, as a committee, are travelling across the country. The treaty has

been signed. The agreement has not been ratified, so your voice and your interest are important here today. If you were able to express a message to the country, what would you put in a communication strategy you would like all Canadians to hear on any of the pros and any of the cons for TPP?

Thank you. That goes to all the panel.

**The Chair:** If the four panellists are going to answer, they're going to have to do it in a half a minute each.

Go ahead.

**Mr. Terry Boehm:** One of the big problems—and I pulled out CETA and a good portion of the Trans-Pacific Partnership—is that people who haven't read either agreement are talking about it. I have taken the time to read annexes, associated agreements, references, footnotes, and the agreements. When you do that, you very quickly start to understand that this is not about trade. It is about something completely different.

That is the message I would like to put to Canadians. This is about shifting the possibility of governments to govern in the public interest and blurring that line so that government is actually an enforcement agency for privilege and new rates for the largest corporations in the world.

Agriculture is a bailiwick of mine, but in terms of drug costs, when we extended drug patents in the early 1990s, that was about the time when the debate about the affordability of public health care started to change. That is the single biggest budget item for each provincial government. Over 50% of that single budget item is pharmaceuticals and medical supplies, which we are increasingly sourcing from a very small group of very large pharmaceutical companies that also supply farmers with chemicals and seeds, to a large extent, and they have ratcheted up the price.

We are transferring from the taxpayer directly to international corporations. Then we put caps in these agreements. We restrict them, but we can't do anything about our balance of payments. These are harmful to our countries—Canada in particular, but also the other participants in these agreements. That is absolutely what these things are about.

Read them, please. Sit down and read them.

● (0955)

**The Chair:** Thank you. Your time is up.

One of the most difficult jobs of the chair is cutting people off, especially when they are on a roll and they are speaking from the heart, whether it is MPs or witnesses.

I remind MPs to keep it short because the witnesses want to answer. Let's try to keep our questions short so we can get enough time in. Witnesses and MPs, I am going to put my finger up when there is a minute left. Then I wouldn't be cutting anyone off in mid-drift.

We are going to continue. If we could keep our questions short, we can have our witnesses.

Witnesses, when my finger goes up, I have to give everybody a chance.

We are going to move over to the NDP now. Ms. Ramsey, you have five minutes. Go ahead.

**Ms. Tracey Ramsey:** Whether we are talking about farmers or small businesses, we are talking about people, Canadian people. Regardless of whether tariff reductions would help certain industries...we understand that, but what we are talking about is the effect on Canadian people.

There is nothing more concerning than access to affordable medication. There are people in my riding who are making difficult decisions between whether to keep the lights on or pay for their prescription drugs.

The TPP would cripple provincial governments. It would put the costs back onto them, and it would make it very difficult for a government to make decisions about pharmacare or any improvements to any type of pharmaceutical extension that we could do for people. The TPP would greatly limit our ability to govern in that way. I recognize that.

I would like to direct my first question to the Grandmothers Advocacy Network. You talk about the practice of evergreening. I wonder if you could explain to the committee a little more about how this would slow access to affordable medication.

**Ms. Jennifer Neal:** At the moment, drugs tend to have a patent of 20 years or so. When you evergreen something, this basically means that you make some slight little change to your formulation. That formulation might not make it any more effective, but that little change would enable you to ask for another patent, and that other patent may be for another 20 years. It basically cuts down any possibility for generic medicines to be in the marketplace.

**Ms. Tracey Ramsey:** Mr. Boehm, I would like to ask you to tell me a little more about the NFU's concern around the ISDS in the Trans-Pacific Partnership.

**Mr. Terry Boehm:** I think that the ISDS mechanisms in particular have been problematic in the assorted iterations, as in chapter 11 and several NAFTA actions, for example, against the Canadian Wheat Board, which no longer exists. This is again the shift of the possibility of governments to act in their own citizens' interests to outside tribunals. They are outside tribunals that actually don't use precedents in their decisions. Each decision is separate. They arbitrarily decided recently to charge compound interest on awards given to complainants.

We're working with a very small group of international trade lawyers, who are selected tribunals of three—each party selects one, and then they agree on a third one—to fundamentally alter important processes and regulations or whatever in the country. An old one, of course, is MMT, a neurotoxin seen as an additive in fuel. The banning of that was reversed.

Anyway, we're very concerned that what we're doing is hobbling our ability to govern ourselves in our own democratic interests. We're giving it out to entities that actually have no responsibility to our citizens or anyone else.

• (1000)

**Ms. Tracey Ramsey:** Thank you.

I'd like to ask Ms. Gendron a question around health care. What would be the impact of the greater protection of intellectual property for pharmaceutical products on patients here in the province of Saskatchewan and on Canada's health care system?

**Ms. Catherine Gendron:** SEIU-West is comprised primarily of health care workers, and we're already seeing the sector being sorely drained. We know first-hand that it really does have an impact when people are not able to afford their medications. We know with the TPP that these extended patent rights will allow our pharmaceutical companies to maintain high prices until generics are able to get to market.

As Jennifer mentioned, evergreening is certainly an issue as well. We may see 20-year patents or 40-year patents, so the longer you're not able to get those generics, the more expensive medication becomes.

As I see it, right now one in 10 Canadians can't afford their medications. These increased costs are only going to increase that number. That's only going to increase the burden on our health care system when people are subject to having to go to emergency because they can't afford the medications they need.

I can only predict a much higher strain on our health care system with the passing of the TPP.

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

Thank you, Ms. Ramsey. You're right on time. I appreciate that.

We're going to move it over to the Liberals for five minutes, Mr. Fonseca.

**Mr. Peter Fonseca:** Thank you, Chair.

I'd like to thank all the panellists who are here before us right now, and all the panellists we've met with, for the passion they have brought to these consultations—the knowledge, the experience. The presentations have been excellent and they've been great for us.

I have to say that I'm so proud of this committee and the way we've worked together collaboratively—all parties and staff—to open this up to the public. There are a number of ways that we do that. We do that here through our committee work as we travel across the country, as well as through our website with the portal. As Mr. Van Kesteren said, many of you represent tens of thousands, if not hundreds of thousands of Canadians, through your presentations.

My first question is to Mrs. Neal.

In a letter that your organization wrote to Minister Dion, Minister Freeland, Minister Philpott, and Minister Bibeau, you expressed that if the TPP is ratified, it would be the most harmful trade agreement ever for access to medicine. Before you answer that, we've also heard from others. We had the canola people here earlier in the first panel, and we asked them to quantify how many jobs this would bring to their industry. In an industry of about 250,000 today, they said it would bring in another 22,000 good-paying jobs to that industry.

Have you quantified what this would cost in terms of health care costs, in dollars?

**Ms. Jennifer Neal:** No. That quote you gave was from the Médecins Sans Frontières. That was their quote.

**Mr. Peter Fonseca:** It was a different brand.

**Ms. Jennifer Neal:** Yes. We were quoting.

**Mr. Peter Fonseca:** Oh, you were quoting. Okay.

• (1005)

**Ms. Jennifer Neal:** Yes. That is the truth. We don't know. I couldn't say. I don't know how many jobs. Anybody who works like they do, in countries all over the world, realizes this is the most damaging trade agreement they've ever had for access to medicine. It is the most damaging for Canada, as Catherine has been saying, but also worldwide. This is something you cannot ratify it in its present form. It is the most damaging access to medicines that we have anywhere. I can't put a figure on that, or jobs on that, but that is the truth.

**Mr. Peter Fonseca:** That's why we're trying to get to the numbers, because it is such a big statement: the most harmful trade agreement ever. What would that mean in terms of millions, or billions, or whatever of dollars that would—

**Ms. Jennifer Neal:** To me it's more important to look at people's lives, instead of the millions and trillions of dollars.

**Mr. Peter Fonseca:** How many lives?

The other thing, you know...and thank you for the work you've done in Africa. The TPP countries are not African countries. How would this TPP agreement affect Africa? I'm trying to make that correlation.

**Ms. Jennifer Neal:** Well, because most of the generic drugs at the moment come from India, and we have to thank India tremendously for that. It has lower patent laws than most other countries, so it is the one that manufactures drugs, but it relies on drugs that are not on patent. As you know, the infection rate is going down.

**Mr. Peter Fonseca:** India is not in the TPP.

**Ms. Jennifer Neal:** No, I know it's not, but that's where people in Africa get the drugs, and mainly across the world. That's why PEPFAR is getting the drugs from India, but it relies on things that are not on patent, so it is relying on companies all over the world to supply it with the drugs. This is a large...whatever it is, 800 million people, or 36% of the GDP. This is going to affect its ability to get generic drugs.

**Mr. Peter Fonseca:** This question is for Mr. Boehm and then maybe Mrs. Gendron.

With organized labour in other TPP countries, including the United States where SEIU has a big presence, and your counterparts in other countries, what have they been saying about the TPP? Have you kept up to par to as to what is happening with your counterparts in the other TPP countries?

**Mr. Terry Boehm:** Yes, we have, not in specific numbers, but certainly in terms of the opposition of affiliated groups. The National Farmers Union is part of an international worldwide group called La Via Campesina, of which we are a founding member, and it is comprised of a large number of people.

At the end of the day what we are talking about is the capacity for us to govern in our own interests, and I keep emphasizing that. Ms. Ludwig mentioned corporate social responsibility but that's voluntary. The things in this agreement are enforceable, and that is where we are particularly worried.

**The Chair:** Thank you, sir. That ends the first round. We have another round, and we're going to start off again with Mr. Peterson for five minutes.

[*Translation*]

**Mr. Kyle Peterson (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

I'd like to thank all the participants for being here and for their very informative presentations.

My first question is for Mr. Boehm.

[*English*]

You mentioned your concern with the ISDS and the mechanism in place for any dispute resolution. My understanding of the application of ISDS and how it's been applied in other international trade agreements is that it's the foundation usually for an investor or a company to bring a grievance under the ISDS mechanism, if they are being treated in a different manner than a local domestic company would be treated, which to me sounds like a reasonable threshold to meet for them to bring an action against the state.

Maybe I'm misunderstanding what your position is, but you seem to be implying foreign investors can bring actions against the state just because they don't happen to like some regulation that might impede their economic progress. I don't think that's what the intention of that provision is. Maybe you can clarify for me the confusion I'm having with reconciling what I think is in the agreement and what reading you're taking of that provision.

**Mr. Terry Boehm:** What I was referencing in terms of the second part of your question was the issues around “tantamount to expropriation”. These sorts of actions can be launched if a regulation or, for example, if the offsets, which are forbidden, require local content or address a balance of payments or those kinds of things.

You are correct in saying that the “most favoured nation” status qualifications mean that you cannot favour a supplier of a good or service differently from a local supplier of a good or service. This, of course, we question because in some respects—and again I go back to the offsets, and things co-mingle here—if you disallow the ability to encourage local development and to address balance of payments issues and the fundamental economic levers of monetary policy, and then they call those actions “tantamount to expropriation”, you're required to compensate and then an action can be launched against you.

The issue is the purpose government has. I think we're blurring the lines here. For me, government is a democratic institution that is elected to represent the interests of its electorate, not international corporations.



•(1010)

**Mr. Kyle Peterson:** I don't think I disagree with that. Thank you for that insight.

How many farmers do you represent? You might have said that and I missed the number. How does your membership work?

**Mr. Terry Boehm:** We generally don't disclose our membership.

I'm a former president. I'm no longer on the board, so I'm not up to date. However, we represent thousands of farmers. There's a very small number of farmers in Canada, unfortunately. We're the largest voluntary farm organization. Farmers actually have to join us. Other organizations call themselves farm organizations, but if someone sells a commodity like canola he gets included as a member. I get included in all kinds of organizations as a farmer because I grow all kinds of different crops, but they don't really represent me. They just include me in their membership.

**Mr. Kyle Peterson:** Thank you for that.

Ms. Gendron, how many members are in your union?

**Ms. Catherine Gendron:** At SEIU-West there's about 13,000 in Saskatchewan.

**Mr. Kyle Peterson:** Were you able to get feedback from all of them before you made the presentation today?

Is there a consensus in your group, or is there some dissent? I'd like to get your opinion. I'm just trying to get a sense of...

**Ms. Catherine Gendron:** Our members are very strong advocates of the public health care system, and this will certainly put a strain on that. So yes, there's certainly been—

**Mr. Kyle Peterson:** It's just nice to know that you're speaking not just for yourself, but with some weight behind your comments. I just wanted to clarify that.

With that I'm done. Your presentations were informative and instructive and we appreciate your being here.

Thank you.

**The Chair:** Thank you, Mr. Peterson.

I commend you on your French, but I'd like to remind members that, if they're going to speak French, they need to give the witnesses a little bit of time to get the translation. Don't assume they're bilingual. If you're going to speak French, give them a heads-up so they can get set. I'm sure the witnesses all have a set of headphones in front of them.

On that note, we're going to move over to Mr. Ritz.

Go ahead, sir.

**Hon. Gerry Ritz:** Thank you, Mr. Chair.

Thank you, ladies and gentlemen, for your concise presentations today. It's good to have all sides of the debate.

I'd like to start with Ms. Neal. Kudos for the great job that you're doing and the advocacy that you're doing. It is a noble cause.

I have a couple of points that I wanted to make. You said that President Obama's program is the most efficient and effective one to

this point. It seems strange to me that he is one of the strongest advocates for TPP. Is he at cross-purposes there?

**Ms. Jennifer Neal:** I think you could say perhaps the same for Prime Minister Trudeau. He has made strong statements that he supports the 90-90-90 goal that was put out by the United Nations and it was a target for 2020.

**Hon. Gerry Ritz:** Sure, percentage of GDP.

**Ms. Jennifer Neal:** Prime Minister Trudeau has definitely supported that. He's made many statements that he supports access to medicines. He supports all these things, yet, I suspect he's....

I can't speak for him, but there are a lot of people, of course, who are supporting this trade agreement. The trade agreement is so wide. I can't pretend to speak for all these other people. I'm only speaking for the medicines. That is a real danger. I just don't think, even though there might be benefits, you can be doing this with those medicines.

•(1015)

**Hon. Gerry Ritz:** It's also well known that India is the largest producer of generics, and it will continue to be.

**Ms. Jennifer Neal:** Yes, we help....

**Hon. Gerry Ritz:** Since they're not part of TPP, why would that stop?

**Ms. Jennifer Neal:** There are many other drugs that are needed.

As the population increases.... Of course, because the infection rate has gone down, you actually have more people who are living, and more people with AIDS, of course. If you're on antiretrovirals for many years, you find that they don't work anymore. You need these second...whatever—I can't remember what they're called. The second string—

**Hon. Gerry Ritz:** Generation.

**Ms. Jennifer Neal:** Yes. A second generation of drugs are certainly ones that are still needed, and the patent on these is not going to be available.

There are still problems too. We don't know whether India will be able to do this forever. Even with this, there's only 41% of adults who are actually on these drugs and 31% of children, so it's not reaching them. There are not enough drugs, even with India supplying them.

**Hon. Gerry Ritz:** Some of that is political instability in the countries of record—

**Ms. Jennifer Neal:** Some of it is actually getting the drugs to the people. I agree with that.

**Hon. Gerry Ritz:** Logistics.

**Ms. Jennifer Neal:** Yes. The distance and the rural thing.

**Hon. Gerry Ritz:** Thank you.

Mr. Boehm, it is no secret that we would disagree on a lot of what you're saying, but I just want to correct a couple of things.

You made the leap that trade has not been helpful to agriculture, that it's debt-to-asset and farm income and so on. I have to correct that, because I think your research is a little behind the times.

The average age of farmers is going down. We've seen that over the last decade. We're gaining about 8% in younger farmers, and that's good because there's a solid bottom line. The asset-to-debt ratio hasn't been this good for almost three decades. Farmers are making the decisions to invest because there are positives in the bottom line, and I see a few young farmers in the audience who would certainly love to show you that. Net income over the last five years has been growing exponentially, and that's what's led to farmers making investments on their debt side. They see the long-term benefit of trade allowing them to expand their ability to market offshore.

**Mr. Terry Boehm:** I think that when we see debt numbers increasing by several billion dollars, frequently, annually, one has to question when that debt needs to be serviced. We're seeing increasing debt throughout the Canadian population. A lot of it is largely because of very low interest rates. At the end of the day, though, when we acquire this debt, who are the net beneficiaries and who is actually benefiting from the investments?

Our research for a long time has said that players outside of agriculture offloading costs onto farmers, whether it's grain storage requirements, increased transportation, etc., is showing up in the debt ledgers of farmers. We're seeing an offloading and an externalization of costs on agriculture, partly as a consequence of these agreements, partly because of other policies.

**Hon. Gerry Ritz:** Thank you.

Ms. Gendron, thank you for the work that you do on behalf of your union.

I'm a little concerned that it didn't come through in the provincial election that we had here in Saskatchewan, or in Manitoba, which happened yesterday. Somehow, the province isn't picking up on your advocacy.

**The Chair:** I think that sums up your time, sir.

Now we're going to go back to the Liberals and Mr. Dhaliwal for five minutes.

**Mr. Sukh Dhaliwal:** Thank you.

Ms. Neal, I would like to add my vote of thanks for the incredible work you have done and the Grandmothers Advocacy Network is doing in people's lives, ensuring access to important medication, improving access to education, and ending violence against women and girls. Those are some of the things that we all agree on around this table. Certainly, TPP is the one that we have some differences with.

There's one clause in the statement in the TPP that contains the following text in regard to the government:

The Parties affirm their commitment to promote and strengthen an open trade and investment environment that seeks to improve welfare, reduce poverty, raise living standards and create new employment opportunities in support of development.

What are your thoughts on that? I would also like Catherine and Raymond to chip in as well, please.

• (1020)

**Ms. Jennifer Neal:** I'm not quite sure. That was a quote from where?

**Mr. Sukh Dhaliwal:** From the TPP.

**Ms. Jennifer Neal:** Okay. I'm not quite sure what you want me to answer there.

**Mr. Sukh Dhaliwal:** Your concern is the well-being of people. This agreement states in here that this is the intent. I thought if you have any comments to make, otherwise I'll pass it on to—

**Ms. Jennifer Neal:** I think it's clear, from what I've said already, that I don't feel it's putting the people... I don't think it's doing that. It's doing exactly as my friend here is saying. It's big corporations that are benefiting.

One thing that worries me is big pharma, because big pharma is extremely strong, extremely powerful. It's for big pharma. The pharmaceutical companies are winning, hands-down, with this agreement. I don't think this agreement is for the people at all.

**Mr. Sukh Dhaliwal:** Catherine, you said it's a bill of rights for corporations. When we signed the free trade agreement with Colombia, we had discussions back and forth. We had side agreements on environment, child labour, and the displacement of individuals. Is there anything in this agreement that we can modify, if we ratify it, to make sure those concerns that you have are addressed?

**Ms. Catherine Gendron:** For SEIU-West it's certainly the investor-state dispute settlement that really outlines the corporate bill of rights.

We have in our written submission, for example, that in Poland, they had much of their health care insurance provided by a company called Eureko. They had a state share. When the Polish government put forward the idea to open the shares more so to the private company, Eureko could have had a majority stake. There was public outcry because they did not want to privatize their health care. This was the people speaking, saying, "We don't want this."

The Polish government then responded, taking back that proposal. Eureko then took this decision to ISDS, and Poland ended up paying, out of their taxpayers' money, \$1.6 billion U.S. to Eureko. They didn't even have their shares at that point. That was just the potential for profits.

Eli Lilly, in Canada, has now gone above the Supreme Court of Canada, so how is that democratic? TPP, this agreement, how is that a democratic means when you can go above our law? It's only foreign investors that can do this, so how is that for the well-being of Canadians? It's not.

**The Chair:** You have one minute left, sir.

**Mr. Sukh Dhaliwal:** Raymond.

**Mr. Raymond Orb:** Yes, thanks for the question.

I would just like to say that, first of all, I'm an elected official and I'm a municipal official. We always have the process of being able to consult with provinces. In my case it's the Province of Saskatchewan, and we have consulted with them. Not too long ago, before the provincial election, we sat down with the Ministry of Agriculture people and talked about this.

Farming is made up of a lot of small business people. We have a lot of family farms now that are incorporated. People sometimes think these are big corporate entities, but actually they're still family farms. A majority of the farms in Saskatchewan still are.

The benefit to this is that it does create jobs. If you look at what's happened in Saskatchewan over the last decade or more, a lot of value-added entities have come on stream as well because of manufacturing and a lot of the spinoffs. For the people who are paying taxes, where does the money come from in this country to pay for their medical costs, for medicare itself, on behalf of the federal government and the provincial governments? It comes from taxpayers.

**The Chair:** Thank you, all.

Sorry, Mr. Dhaliwal, your time is up. Mr. Orb, that was a good closing on his question, though. Thank you.

We're going to have to move over to Mr. Hoback for the last questioner on this panel. Go ahead, Mr. Hoback.

**Mr. Randy Hoback:** Thank you, Chair and witnesses. You only have five more minutes, so we're almost done.

Mr. Orb, you touched on this, that the taxpayer pays the bill. The taxpayer pays the medicare. The taxpayer pays the wages of Catherine.

Jennifer, it probably pays into your pension.

Terry, if you get any farm subsidies, they pay for the subsidies, correct? If the taxpayer doesn't have the revenue, which comes from the private sector and from taxpayers....

I'll use the example. Right now we have a \$30-billion forecasted deficit, and we're doing that to basically improve our economy, grow our economy and jobs. How do you propose we grow our economy if we don't sign trade agreements, if we don't actually embrace the world, and actually go out there and find these markets so that our creative people in Canada can actually make an income, have a good quality of life, and pay those taxes so that you can have the things that we take for granted here in Canada?

If you don't want the TPP or any trade agreement, well, then what are all these farmers in Saskatchewan supposed to do, Terry? Are they supposed to just raise buffalo and watch them go off into the sunset? What do you propose? What would you suggest that government do if you don't do trade agreements? How else are you going to generate this economic activity?

• (1025)

**Mr. Terry Boehm:** Thank you.

First of all, one of the fallacies about many of these trade agreements is that somehow trade is going to come to a crashing stop if we don't sign them.

**Mr. Randy Hoback:** Mr. Boehm, wait a minute. We have heard from many organizations that have basically told us that if we don't get a proper trade deal with Japan and other regions in the Asian market, and if we didn't have a proper trade deal with the U.S. in NAFTA—I'll use canola, for example—the cost is substantial.

Take the little town of Nipawin. If they can't export oil outside of Canada—if that town doesn't have a crush plant—that town wouldn't exist as we see it today. If Canadian farmers don't have those opportunities, what are they to do?

**Mr. Terry Boehm:** There is—

**Mr. Randy Hoback:** Trade has proven that it brings up our quality of life—

**The Chair:** Mr. Hoback, if you could let the witness just.... We can have a good debate, but just let it go back and forth.

**Mr. Terry Boehm:** There is absolutely no problem on my part, and many of the farmers I represent, with trade. However, these agreements have a very small trade component and the trade-offs inside these agreements for the democratic process, investor-state invasion, etc., is critical.

We trade, and we have traded before these agreements, which have gone wild in the last 20 years.

**Mr. Randy Hoback:** You know what, Mr. Boehm? You are right. We have traded, but as other countries have leaped ahead and taken the market.... For example, I'll use Korea and the cattle situation. The U.S. and Australia got into the market in Korea before we did. We have lost a substantial market share in that market.

If we are not to do these trade agreements, if we don't keep up with other countries that are doing these agreements, what do our producers do? How do they react?

**Mr. Terry Boehm:** Well, one of the problems we ran into, particularly in the cattle sector in Korea was actually BSE, and we are recovering from that one.

**Mr. Randy Hoback:** You talked about cattle producers. We have heard from all the organizations, and they are saying the exact same thing, that they need to have a level playing field in order to compete. If they don't have a level playing field, they are out of the market. That means we lose ranchers and we lose small communities. How do you propose we replace that?

**Mr. Terry Boehm:** Why are we losing farmers at an accelerated rate since we have engaged in these things? Why is the debt load increasing? Why can't we negotiate individual trade arrangements without these massive, thousand-page packages that have so much harm contained inside of them?

**Mr. Randy Hoback:** You talked about NAFTA and ISDS, and you talked about the \$220 million that Canada paid out, but our trade went from \$4 trillion to \$12 trillion under NAFTA.

Well, \$220 million is a big number for me; it's huge. However, when you put it in relation to the trade and the benefits that Canada as a whole has received.... Did you know that \$180 million of that is because one provincial government nationalized a pulp mill? One provincial government decided they were going to nationalize. Don't you think that if they wanted to nationalize something, the people who own it should have a proper chance to get back their investment? I invest \$2 million in one of the TPP countries, and all of a sudden that country says, "You know what, Mr. Hoback? Because you are not in my country, I am not going to do business with you." Don't I have the right to have protections under the trade agreement that says you will deal with me?

**Mr. Terry Boehm:** If you have a \$2-million investment in a foreign country and you want to launch an ISDS action, you can't afford it.

**Mr. Randy Hoback:** Hopefully, I don't have to, because I have the protection in the agreement.

**The Chair:** That wraps up the time, Mr. Hoback, and it wraps up this panel.

It was an exciting panel, to say the least. We appreciate that all of you came in. I know you wanted to say a lot more, and I am sure the MPs wanted to ask a lot more, but we have a new set of panellists coming in next.

Again, thank you very much for spending time out of your day to come here, give your submissions, and give answers. Thank you very much.

We are going to suspend for 10 minutes, and then we are going to try to get right back at it.

•(1025) \_\_\_\_\_ (Pause) \_\_\_\_\_

•(1040)

**The Chair:** I'd like to welcome anybody who just entered our room or entered into our committee hearing. This is the final panel we'll have today in Saskatchewan. The panels we have had so far were very informative. We had good questions, good answers, and good statements from the witnesses.

On this final panel we have with us Canpotex, the Greater Saskatoon Chamber of Commerce, the Saskatchewan Trade and Export Partnership, and Viterra.

We're going to get right at it and start off with Canpotex. We have Natasha Stinka, manager. Welcome.

**Ms. Natasha Stinka (Manager, Corporate Services, Canpotex):** Thank you for holding the committee hearings here in Saskatoon and providing the opportunity to share our views on the Trans-Pacific Partnership.

Canpotex and the export of Canadian potash benefits the Canadian government, opens new markets, and encourages freer trade. It will also do this with the TPP.

I'd like to give you a bit of background on our company. I'm confident you won't come across many companies with our wealth of experience in exporting to, and operating in, TPP overseas markets.

Canpotex is one of the world's largest potash exporters. We're one of Canada's largest exporters to the TPP markets overseas. Our company is Canada's largest exporter to Malaysia, where we account for 27% of Canada's exports to that country. We're also Canada's largest exporter to Vietnam and New Zealand, and we're the second largest Canadian exporter to Australia.

Canpotex, on behalf of our shareholders—PotashCorp, Mosaic, and Agrium—markets and delivers approximately 10 million metric tons of Canadian potash each year to approximately 100 customers in 35 different countries.

Saskatchewan is home to the world's largest reserves of high-quality potash. Potash is the key ingredient in fertilizer for crops. It's a completely natural mineral, and there's no synthetic substitute for potash. It is used for industrial purposes such as electronics, plasma TVs, and intravenous drugs, but the vast majority of potash, between 90% and 95%, is used for agricultural purposes. As a fertilizer, potash can help a plant grow, resist drought and disease, and improve the quality of a farmer's crop. For many users of Canpotex potash, including small farmers in developing countries, potash makes food security possible by improving plant health, increasing crop yields, and achieving greater incomes from crops.

While Canpotex employs almost 120 people in Canada, of whom over 100 are here in Saskatchewan, the overseas export of potash accounts for almost 3,000 jobs in Saskatchewan.

In our 44-year history, Canpotex has successfully operated in and sold potash to all 10 of the TPP overseas markets. Potash is in the fortunate position of already being tariff free in the TPP. However, the benefits of the agreement go beyond the question of tariffs. In Canada we're used to a system of government that offers predictability, fairness, transparency, and a high standard of business integrity.

That's not always the case, however, in foreign countries. As a company that operates in 35 different countries, we adhere to Canada's high standards for business integrity in all locations. Agreements like the TPP create a level playing field so that companies like Canpotex can expect clarity and predictability in foreign markets. This way, the bar for integrity is raised for all businesses. There is also value in having a set of agreed-upon rules between countries that include consequences for non-compliance.

I'd like to touch on the key benefits that TPP offers beyond tariffs.

First, transparency provisions in the TPP ensure that the rules businesses must adhere to are easily accessible and up to date. This takes away the guesswork and the opacity involved in seeking out government regulations that could affect a foreign business.