

*2010-09-29 – HoC Speech – Bill C-46 Panama FTA (eng – fr)*

*Speech in the House on Bill C-46, Canada-Panama Free Trade  
September 29, 2010*

*Discours dans la Chambre de communes, C-46, Accord de libre-échange entre le  
Canada et le Panama  
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Mr. Speaker, I rise to speak today in support of Bill C-46 and having it reviewed at committee, An Act to implement the Free Trade Agreement between Canada and the Republic of Panama, the Agreement on the Environment between Canada and the Republic of Panama, and the Agreement on Labour Cooperation between Canada and the Republic of Panama.

I am pleased also to participate in a debate that, unusually for this House in recent times, should be relatively free of heated partisan rhetoric—as the representative for the Official Opposition, we support the passing of this Bill for many of the same reasons that members sitting on the government side of the House support it. Indeed, this is the second time in only three days that we have this opportunity, as the same is true for the recent debate on similar trade agreements with Jordan, which have now been referred to Committee.

We should take advantage of these opportunities to agree, when they come along, as they do so rather rarely.

As I have noted before, however, I will also be raising some real concerns about this government's lack of action on increasing US protectionism and on the missing trade opportunities with China, South Korea and others. Canada is now experiencing the first trade deficits it has seen in 30 years. Indeed, it set a record this July at \$2.7 billion. Something is going seriously wrong. We must challenge this government hard on why that is, and what we can do about it.

I will also mention that, although we in the Liberal Party want to see continued work on the larger multilateral trade negotiations, and to see Canada work even harder in promoting the multilateral approach, we recognize the practicalities and challenges we see happening in that regard. In the absence of progress on the multilateral level, we in the Liberal Party encourage Canada to work at the bilateral level to enhance our trade with as many other countries as possible.

Canada is a nation that supports free trade. Our origins are those of a trading nation, starting of course with fur and wood and other natural resources. Trade accounts for a significantly greater portion of our overall economic activity than many other nations. Indeed, 80% of our economy and millions of Canadian jobs depend on trade, and our ability to access foreign markets.

Canadian exporters benefit from the reduction and elimination of tariffs on their goods destined for other countries. Canadian manufacturers benefit from the reduction and elimination of tariffs at the Canadian border of the various materials that go into their products. Canadian consumers benefit from the lower prices of imported goods when tariffs on those goods are reduced and eliminated. Although there will always be debate about protectionism, and what steps are

best to foster and promote Canadian business success, and therefore jobs, most Canadian businesses which look to domestic markets benefit from free trade, in being forced to innovate and compete with others from abroad—provided, however, that those abroad comply with international rules of trade, tariff and non-tariff barriers.

In the long run, Canadian businesses are more than capable of being strong, innovative and competitive when not hiding behind protectionist walls.

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Monsieur le Président,

Je suis fière de me mettre debout aujourd’hui dans la Chambre pour ce débat, en donnant mon appui au nom du Parti libéral du Canada au projet de loi C-46 pour l’Accord de libre-échange entre le Canada et la République du Panama, l’Accord de coopération dans le domaine du travail entre le Canada et la République du Panama, et l’Accord entre le Canada et la République du Panama sur l’environnement.

La mauvaise gestion des relations commerciales du Canada par le gouvernement Conservateur a abouti à des déficits commerciaux pour la première fois en plus de 30 ans. On a besoin de voir beaucoup plus d’efforts et d’engagements pour améliorer la situation, et augmenter le commerce international entre le Canada et les autres pays du monde.

Le Canada dépend du commerce. Il est à noter que 80 % de notre économie repose sur l’accès aux marchés d’exportation.

Le Parti libéral est favorable au principe du libre-échange et nous sommes aussi favorables aux initiatives qui améliorent l'accès des entreprises canadiennes aux marchés extérieurs. Même si l'économie du Panama, et que l'importance du commerce entre le Panama et le Canada n'est pas tellement grande, il y a des opportunités pour les entreprises Canadiennes.

En 2008, le taux de croissance du PIB réel du Panama a atteint 10,7 pour cent, un des taux les plus élevés en Amérique. Malgré le ralentissement économique, le Panama a affiché une croissance positive de 2,4 pour cent en 2009, ce que devrait se poursuivre en 2010.

Les travaux d'élargissement du canal de Panama sont en cours, et devraient être terminés d'ici 2014. Le cout est estimé a 5,3 milliards. Cet élargissement devrait permettre de créer des débouchés pour les entreprises canadiennes, notamment dans les secteurs d'infrastructure et construction; environnement, construction mécanique lourde et services de consultation; projets d'immobilisations; développement du capital humain; et matériaux de construction.

Tout comme les accords de libre-échanges conclus entre le Canada, le Chili et le Costa Rica, l'Accord de libre-échange nord-américain (ALENA) et l'Accord de libre-échange avec la Jordanie, l'Accord de libre-échange Canada-Panama comporte des accords parallèles sur la coopération dans le domaine du travail et sur l'environnement.

L'Accord de coopération dans le domaine du travail entre le Canada et le Panama reconnaît les obligations des deux pays aux termes de la Déclaration relative aux principes et droits fondamentaux au travail de l'Organisation internationale du Travail, qui exige que chacun des pays veille à ce que ces lois, réglementations et pratiques nationales protègent les droits suivant:

- le droit à la liberté d'association;
- le droit à la négociation collective;
- l'abolition du travail des enfants;
- l'abolition du travail forcé; et
- l'élimination de la discrimination.

L'Accord de coopération dans le domaine du travail entre le Canada et le Panama et l'Accord Canada-Panama sur l'environnement prévoient l'un et l'autre une procédure relative aux plaintes, et à la résolution des différends qui permettent au public de demander une enquête sur de présumées inobservations de ces accords de la part du Canada ou du Panama.

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The Free Trade Agreement with Panama is another opportunity to increase access to more markets for Canadian farmers and businesses.

Yes, Panama is a relatively small economy. In 2009 we exported \$90 million in goods to the country, which is not as large of course as with some trading partners. It is, however, a stable country which has made significant progress in recent years in terms of development and democracy, which Canada is well-placed to encourage.

In spite of the global economic downturn, Panama's GDP grew at 10.7% in 2008, one of the highest in the Americas, and is forecast at 5.6% for 2010. In 2009 bilateral trade between the two countries totalled \$132.1 million, with Canadian exports making up \$91.4 million and imports \$40.7 million.

Primary Canadian merchandise exports to Panama include machinery, vehicles electronic equipment, pharmaceutical equipment, pulses and frozen potato products; Canadian service exports include financial services, engineering, information and communication technology services; merchandise imports *from* Panama include precious stones and metals (mainly gold), fruits and nuts, fish and seafood products.

The existing Panama Canal, vital for the international trading system, is undergoing a massive expansion, with completion slated for 2014. The \$5.3 billion expansion is already generating business for Canadian companies in construction, environmental, engineering and consulting services, capital projects and more, and is expected to generate even more over the next while, helped by this FTA.

Canada will immediately eliminate over 99% of its tariffs on current imports from Panama.

The FTA also addresses non-tariff barriers by adopting measures to ensure non-discriminatory treatment of imported good, promoting good regulatory practices, transparency, and the use of international standards.

Labour and environment: Like most of Canada's free trade agreements, this FTA includes agreements on the environment and labour cooperation that will help promote sustainability and protect labour rights. The Canada-Panama labour cooperation agreement recognizes both countries' obligations under the International Labour Organization, the Declaration on Fundamental Principles and Rights at Work, including the protection of the following rights: the right to freedom of association, the right to collective bargaining, the abolition of child

labour, the elimination of forced or compulsory labour, and the elimination of discrimination.

Both the labour cooperation agreement and the agreement on the environment include complaints and dispute resolution processes that enable members of the public to request an investigation into perceived failures of Canada or Panama to comply with these agreements.

A few words on human rights:

Although it is not the issue here as it was in the debate over free trade with Colombia, the question of human rights will always come up in this House when we debate free trade agreements. And rightly so, sometimes more so than others. As I have said in this House a number of times, it is a good thing that Canadian MPs are concerned about international human rights—and I have noted that we all—regardless of what party we sit for—we all want full human rights for everyone around the world. We do, however, from time to time disagree on what Canada can do to further that goal. Some of my colleagues will say that putting up walls, and preventing more open trade and engagement, will somehow help—that somehow, Canada wagging our finger at other states, rather than fully engaging, will miraculously be listened to.

I'm afraid, Mr. Speaker, that that's not how the world works.

Freer trade encourages freer flow of information, and freer flows of ideas. Rather than building walls, freer trade opens windows through which light gets in, and opens doors through which we Canadians can engage, on all sorts of levels, with others. If we isolate a country, our capacity to engage in human rights is reduced. Economic engagement increases our ability to engage in other areas, such as

education and culture. All of that engagement increases that capacity to engage in the area of human rights. It gives us as Canadians a greater opportunity, through business people, customers, clients, and other engagement that can flow from those relationships, to show by example—not in a paternalistic, finger-wagging, ‘we know best’ attitude—but rather showing by example how things work so well for us here in Canada, and our willingness to share, on a friendly basis, those examples. As I have said many times, it is the citizens of a particular state that are responsible for changing their state—not Canada. But Canadians have a wonderful opportunity to engage with those citizens in exposing what works in other parts of the world—in particular here, where we are proud of our Charter of Rights and Freedoms, our successfully pluralistic society, and our “peace, order and good government” approach to governance.

Again, although we do not have the heightened level of concern with respect to Panama as we have had with Colombia, I will take the opportunity here to commend my Liberal colleague, the member from Kings—Hants, my predecessor in the role of Critic for International Trade, for the excellent work he did with the human rights amendment to the Canada-Colombia Free Trade Act. Under that Liberal-negotiated deal, Canada and Colombia must publicly measure the impact of free trade on human rights in both countries—the first trade deal in the world that requires ongoing human rights impact assessments.

Again, I commend my colleague from Kings—Hants for his excellent work in this regard.

Mr. Speaker, all of this goes to my support, and my Party’s support, for Bill C-46 and the free trade agreement with Panama. Greater economic engagement helps us all economically, for more jobs and more prosperity for Canada, yes, but for both countries. Free trade is in this case a win-win opportunity.



At this point, however, I wish to highlight some real concerns about the Conservative government's approach to international trade. We are losing the concept of free trade with our biggest trading partner to the south, the United States. When the recession hit, the US government responded with protectionism, in putting forth their "buy American" policies and tighter rules. This Conservative government stood by, watching, as if it didn't know what hit them. They engaged in photo ops in Washington, not realizing the battle needed to be fought all across the states—at the state level. By the time a so-called exemption was worked out, which in and of itself required significant concessions by Canadian provinces, the protectionism in the US had already hurt many Canadian businesses, costing Canadian jobs. Even the so-called exemption only covers 37 states—a great example of how it is NOT just Washington that must be engaged. Despite our vociferous efforts to get this Conservative government to engage much more forcefully, at the state level, this government just didn't seem to understand either the 'Whats' of the negative effects on Canadian business, or the 'Hows' of fixing the problem. And here we are again. The United States is threatening more protectionist legislation, the Foreign Manufacturers' Legal Accountability Act which, although not technically aimed at Canada, would significantly hurt many Canadian businesses—and affect many Canadian jobs. But the Minister's response? No action whatsoever. Instead, he says, gee, it's too bad, we're always collateral damage in the battles between the US and China. Then he says, we're HOPING that it doesn't reach the vote stage before the US elections; then he says, IF it passes, we'll PROBABLY seek an exemption for Canadian companies.

Mr. Speaker, with all respect, it simply isn't enough to dismiss Canada as collateral damage, or to merely HOPE that protectionist legislation won't pass---just like the last time, we are urging this government to get their hands dirty, to get on the ground, not only in Washington but across the states, to ensure that Canada is exempted from this very damaging proposed legislation—BEFORE it happens.

Canadian businesses need something DONE to prevent this from happening, not just some vague hopes and prayers.

Mr. Speaker, I also want to use this opportunity of debate on the merits of free trade, to exhort this government to do much, much more in its dealing with China, South Korea and others. I acknowledge the announcement and production of the report this last week between Canada and India, and I encourage this as moving in the right direction. But having just returned from China and Korea, I am (i) overwhelmed by the growth, the size, the pace, the scale of what is happening over there; and (ii) dismayed by how little the Canadian government is doing to capitalize on the extraordinary growth and scale that presents such fantastic opportunities for so many Canadians.

There are incredible investments being made in infrastructure, water, sewage treatment, public transit---we have been told repeatedly by the Chinese that they are looking for green technology, for forestry products, for investments in the financial services industries. There are tremendous opportunities for trade in educational services; in cooperation and engagement not just at the Canada-China level, but provincial and municipal—and my colleagues should understand that I do not suggest for a minute that the federal government impinge on those jurisdictions—no, but rather stress that we here in Canada could work much more cooperatively, and productively, by engaging all orders of government in a concerted effort to take much more advantage of the opportunities that these extraordinary economies offer to Canadians.

We, in the Liberal Party, have stressed, and will continue to stress, the importance of Canada in the world. In support of this, we have proposed the concept of Global Networks. We say that the older, simpler concept of trade and commerce, of simple export and import of goods and services, should be expanded to include

all kinds of engagement, on all levels such as education, culture, environmental cooperation—a much greater engagement and exchange of people and ideas.

Canada should be taking advantage of these extraordinary opportunities that the world, and other growing and bustling economies and societies offer—opportunities which, Mr. Speaker, the Conservative government just doesn't seem to understand.