

China Foreign Investment Protection Agreement (FIPA).

As explained by Hon. Hedy Fry, P.C., M.P

The Liberal Party of Canada believes that foreign investment is good for our economy, but that we must always work to protect Canadian interests and keep paramount the best interests of Canadians. All while maintaining transparent and open lines of communication with the Canadian people. The Harper government has approached the issue much differently, however, by secretly ratifying trade agreements with little or no thought given to the concessions made. In so doing, the government has effectively undermined the trust of Canadians from coast to coast to coast.

That being said, there are serious concerns with this agreement in particular. The Liberal Party was the first to acknowledge and bring attention to these issues thanks to a Liberal motion at the Standing Committee on International Trade, which resulted in a single-hour briefing from government officials on FIPA. This briefing raised questions on the provisions of the FIPA concerning transparency, the agreement's constitutional impact, restrictions on reciprocal investment in China, and security concerns. It is clear then that the Canada-China FIPA is a different beast from previous agreements that Canada has signed.

On April 18th 2013, the NDP presented a motion to the House of Commons calling for an outright rejection of the Canada-China FIPA. The Liberal Party of Canada voted against that motion since we believe it is short-sighted and anti-trade to insist that there should be no agreement at all. What we need is a better agreement – one informed by analysis and debate by experts and the public alike – so that we can see the benefits of international trade while minimizing risk.

China is rapidly growing into a dominant global player, and is Canada's second largest trading partner. China is also a centralized economy and operates state-owned enterprises for unfair advantage.

In order to attract foreign investment to Canada, both domestic and international business communities need to know that the investment rules in Canada are clear and that business deals must adhere to these guidelines rather than be subject to the political whims of the government of the day. As well, Foreign Investment Promotion and Protection Agreements (FIPA) are important for Canadians investing abroad as well as businesses here at home.

The Liberal Party continues to call on the government to have public hearings on the implications of this agreement so that Canadians can have their say. As yet, the Harper government has refused to defend its agreement to the Canadian public and have blocked discussion by parliamentarians and the general public. On April 18th 2013, the Liberal Party presented a motion in the House of Commons calling for the International Trade committee to conduct public hearings across Canada prior to the ratification of the Canada-China FIPA to ensure that the agreement is in the best interests of all Canadians. Regrettably, the NDP joined with the Conservatives in opposition to this amendment.

The Conservatives and the NDP have, through their actions, sought to convince Canadians that debate is unnecessary on this issue. No attempt has been made by either party to acknowledge the legitimate concerns of Canadians regarding this agreement, and then ask how the agreement can be improved. Canada depends on trade for 48% of its GDP. Given what is at stake, the issue deserves more reflection and debate than either the Conservatives or the NDP have been willing to give.

The Conservatives and the NDP are silencing Canadians and fueling the misinformation and fear-mongering surrounding the agreement. The role foreign investment plays in the Canadian economy will remain hugely important going forward. This does not, however, detract in any way from the serious need for Parliament to fulfill its obligation to seek input from Canadians. The Conservatives and NDP must guarantee that this investment agreement with the world's second largest economy is widely supported and will result in a clear net benefit for Canadian families.

FIPA marks a significant step in our trade relationship with China, and it is important that we have a discussion on the concerns raised by Canadians about issues of transparency, the arbitration process, and the role of state-owned enterprises in our trade relationship.

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