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# **Standing Committee on Foreign Affairs and International Development**

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**EVIDENCE**

**Tuesday, May 28, 2019**

**Chair**

**Mr. Michael Levitt**



# Standing Committee on Foreign Affairs and International Development

Tuesday, May 28, 2019

● (0950)

[English]

**The Chair (Mr. Michael Levitt (York Centre, Lib.)):** We will now resume in public.

The committee will now begin its examination of the main estimates 2019-20.

As members are aware, we will hear from the Minister of Foreign Affairs today, followed by the Minister of International Development on Thursday.

I would very much like to welcome back to the committee the Honourable Chrystia Freeland, Minister of Foreign Affairs.

Welcome to the Foreign Affairs Committee, Minister.

With her today, from the Department of Foreign Affairs, Trade and Development are Deputy Minister Marta Morgan, whom we'd like to welcome to her new role; Chief Financial Officer and Assistant Deputy Minister of Corporate Planning, Finance and Information Technology, Mr. Arun Thangaraj; and Assistant Deputy Minister, Trade Policy and Negotiations, Mr. Steve Verheul.

With that, I would like to pass the floor to Minister Freeland.

Please provide your remarks, and then we'll open it up to questions for you from our members and colleagues.

Thank you, Minister.

**Hon. Chrystia Freeland (Minister of Foreign Affairs):** Thank you very much, Michael. Thank you, everyone.

[Translation]

Good morning, everyone.

I would like to begin by acknowledging that we are gathered on the traditional unceded territory of the Anishinabe Algonquin people.

Mr. Chair, honourable colleagues, thank you for inviting me to appear before the Standing Committee on Foreign Affairs and International Development to briefly review some of our government's foreign policy priorities, as well as the important work that we are continuing to do to address the challenges facing Canada and the world.

As we approach the end of this parliamentary session, I would also like to express my gratitude to all members of the committee for

the work they have undertaken in recent years in support of Canada's foreign policy.

[English]

Let me also introduce the extremely able team of public servants who are here serving all of us today.

Marta Morgan is the newly appointed deputy minister of foreign affairs.

I think this is your first public outing.

**Ms. Marta Morgan (Deputy Minister, Department of Foreign Affairs, Trade and Development):** It is.

**Hon. Chrystia Freeland:** Marta is, I believe, the first woman deputy minister of global affairs. Congratulations. It's great.

Arun Thangaraj is our Chief Financial Officer. He is the guy who keeps the trains running on time. It's a huge department. You do a great job, Arun. Thank you also.

Here's a man who needs no introduction: Steve Verheul, our chief NAFTA negotiator and CETA and section 232.

Having recently attended meetings of the Arctic Council in Finland, I would also like to take the opportunity to publicly thank the members of this committee for their shared, collective, cross-party leadership on the Arctic and for the excellent report and recommendations.

The most pressing issues facing the Arctic, such as climate change and advancing the interests of indigenous people in the north, require broader public attention, and your work has helped to advance these important issues. Thank you very much. It's very impressive.

Around the world we see a growing trend of leaders and voters who question the value of the rules-based international order and, indeed, of liberal democracy itself. That's why countries, like Canada, who believe in liberal democracy and the rules-based international order now need to fight back. Doing so is vitally important to our national interest. Canada, with just 36 million Canadians, can never thrive in a great power world where might makes right. That's why Canada today is one of the most ardent defenders in the world of liberal democracy and the rules-based international order.

Earlier this spring I represented Canada at ministerial meetings of two of the most important multilateral institutions of which Canada is a member: NATO and the G7. These gatherings offered the opportunity to reiterate Canada's strong support for the rules-based international order; to discuss how we can further work together to defend this order from maligned foreign interference and the rise of authoritarianism; and to discuss how, working together, we can solve some of the greatest global challenges of our time, like climate change, the hollowing out of the western industrial middle class, and global refugee crises.

[Translation]

Allow me to highlight some of the key areas in which Canada is working concretely to defend and maintain rules-based international order, starting with trade.

Rules-based trade doesn't guarantee peace between nations and doesn't make the multilateral system infallible, but it does help.

[English]

That is why working together for free trade is essential. Last fall, Canada concluded negotiations on the new NAFTA with the U.S. and Mexico. In November, we signed the agreement on the margins of the G20 summit in Argentina.

Throughout our intense negotiations, we stayed focused on what really matters to Canadians: jobs, growth and expanding the middle class. We held out for a good deal and that's what we got. We guaranteed continued access to our largest export market for Canadian workers and Canadian businesses, and we succeeded in preserving key elements of NAFTA, including chapter 19, the all-important dispute settlement mechanism, and the cultural exemption.

We addressed important bread and butter issues by cutting red tape to make it easier for Canadian businesses to export to the U.S. market. Despite this success, one major hurdle remained. The U.S. section 232 "national security" tariffs on steel and aluminum.

When the U.S. imposed tariffs, Canada retaliated, imposing dollar-for-dollar countermeasures. We stood firm in our position that these tariffs were not appropriate between two countries which, in addition to being important national security partners and allies, also had a free trade agreement. This was a point we made clearly to the U.S. administration, to members of Congress and to labour and business leaders south of the border.

● (0955)

[Translation]

As a result, just over a week ago, Canada successfully negotiated the complete lifting of U.S. tariffs. As I said last week when I visited Canadian steel and aluminum workers in Regina and Saguenay, that is why we succeeded. We knew that the facts were on our side. We knew we were not a risk to the national security of the United States. We knew that our steel trade with the United States was balanced. We remained united. We have been patient. We have been persistent.

[English]

The result was that Canada successfully negotiated a full lift of the tariffs just over a week ago. Here is why we succeeded. We knew the facts were on our side. We know that we are not a national security

risk to the United States. We know that our trade in steel with the United States is balanced. We stayed united. We were patient. We were persistent. I think persistence and unity are some great Canadian values, and I'm really proud of the way our whole country came together in this effort.

Our government's position was that it would be difficult to move ahead with the ratification of the new NAFTA while the tariffs were in place. Now that the tariffs have been lifted, our government intends to move ahead with ratification. We know that having the new NAFTA ratified will provide economic certainty for Canadians.

Elsewhere in the world, Canada is using its voice to advocate for the rules-based international order. I recently travelled to Kiev, following the presidential elections in Ukraine. This was an opportunity for me to meet with the newly elected president, Volodymyr Zelensky. I reiterated Canada's continued support for Ukraine sovereignty and territorial integrity as well as our commitment to continue working with the international community to maintain pressure on Russia.

To support elections and democracy in Ukraine, our government contributed short-term and long-term election observers as part of the Canadian election observation mission. It has been very ably led by former foreign affairs minister Lloyd Axworthy. Our observers will be back for the parliamentary elections in July. We have also provided a \$2.8-million assistance package to counter foreign disinformation in the Ukrainian parliamentary elections and presidential elections now past.

In another important show of support for Ukraine, on March 15, Canada, the EU and the U.S. announced new sanctions in response to Russia's aggressive actions in the Black Sea and the Kerch Strait and Russia's illegal annexation and ongoing occupation of Crimea.

I was also pleased to announce a three-year extension of our training mission to Ukraine, Operation Unifier, through which Canadian soldiers have helped to train more than 11,000 Ukrainian troops. I've heard first-hand about how valuable that training has been.

Russian aggression to Crimea and eastern Ukraine poses an existential threat to Ukraine. At the same time, Ukraine faces serious domestic challenges, particularly the need to reform its post-Soviet economy. To support this work, Canada will host the third annual international Ukraine reform conference early this summer in Toronto.

[Translation]

Last year, Canada deployed about 1,000 Canadian soldiers to provide NATO and Euro-Atlantic security, including under the leadership of the NATO mission in Iraq and NATO's enhanced Forward Presence battlegroup in Latvia, the air force in Romania and our military support to Ukraine.

Canada is proud to lead the NATO mission in Iraq. As part of this non-combat-oriented training and capacity-building mission, NATO supports efforts to train Iraqi security forces in their efforts to prevent the re-emergence of Daesh and other terrorist groups.

In terms of peacekeeping, the United Nations and partner countries strongly and publicly support Canada's work. At the recent UN Peacekeeping Ministerial, the Secretary-General praised Canada's contribution, in particular the Elsie Initiative, which aims to increase the meaningful participation of women in peace operations.

• (1000)

[English]

In our own hemisphere, the world has watched with great concern as Venezuela, under Nicolas Maduro's rule, has systematically dismantled democratic institutions and violated human rights. The Maduro regime has created a political, economic and humanitarian crisis. As a result, millions have fled the country and millions more are suffering due to severe shortages of food, medicine and the necessities of life.

Canada has been leading on this issue alongside our partners, the other members of the Lima Group, which has met 13 times since its formation in August 2017. The members of the Lima Group are Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Guyana, Honduras, Panama, Paraguay, Peru and St. Lucia. These countries joined—indeed, led—almost 50 others around the world in recognizing Juan Guaido as interim president, in line with the Venezuelan constitution.

Two weeks ago, I was at a meeting in Havana, Cuba, to discuss the economic, political and humanitarian crisis in Venezuela and the work we can undertake together to address it. We will continue to support the path forward as outlined by the national assembly and interim President Guaido and to oppose outside military intervention. A peaceful transition of power needs to be led by Venezuelans themselves.

Last fall, the House of Commons recognized that the violence perpetrated against the Rohingya by Myanmar's security forces constitutes genocide. I commend many members of this committee for your leadership on this issue. I would also like to recognize the work of Bob Rae, who was appointed as Canada's special envoy to Myanmar. He published an important report on his work and findings there.

The atrocities committed against the Rohingya, including terrible sexual violence, have led nearly one million Rohingya to flee the country into neighbouring Bangladesh. Canada has committed \$300 million over three years for humanitarian assistance, development, and peace and stabilization efforts. We will continue to work with our allies and partners, very much including Bangladesh, to resolve the crisis and ensure justice for the survivors of this genocide.

In our work to support liberal democracy and the rules-based international order, we recognize that we are most effective when we work with like-minded partners. That is why we are so pleased that Canada will join the U.K. in co-hosting the first global conference for media freedom. The conference will take place in the U.K. in July. We will be working together to further advance the cause of a

free and independent press globally. This is such an important pillar of liberal democracy.

Mr. Chair, I would like to end on a difficult but important note. I am sure members of this committee, like all Canadians, are concerned by the arbitrary detentions of Canadians in China. This is indeed a difficult time in our relationship with China.

Chinese officials have been clear that from their perspective, these difficulties began with an extradition request from the United States. We complied, as we are committed to doing under our extradition treaty with the United States in place since 1976. I am confident that was the right thing to do, and I am confident Canadians know that. We are a rule-of-law country, and we are a country that honours our treaty commitments.

This was not a political decision. It was not a political message, and there has been no political involvement.

We strongly condemn the arbitrary arrest of Michael Kovrig and Michael Spavor. The Government of Canada continues to call for their immediate release. I want to assure everyone here and everyone listening that this is a top priority for the Prime Minister, for our whole government and for me personally.

Many countries share our concern, and we have rallied an unprecedented number of partners around the world in support of Canada's position. Canada continues to express its appreciation to those who have spoken in support of these detained Canadians and the rule of law, including: Australia, Denmark, Estonia, France, Germany, Latvia, Lithuania, the Netherlands, Spain, the United Kingdom and the United States, as well as the EU, the G7 and NATO.

Our government is seized of these cases and is using any and every opportunity to raise them with our allies and partners. Here and in China, we have made our position clear to the Chinese authorities. Just last week, my parliamentary secretary, Rob Oliphant, was in China as part of a parliamentary delegation, where he raised this issue directly with the officials he met.

Thank you for doing that, Rob.

We will continue to advocate on behalf of these brave Canadians.

In conclusion, I do want to express how much sympathy I have for the Spavor and Kovrig families. They are supporting both Michaels with incredible grace and determination.

• (1005)

[Translation]

With that, I will be happy to answer your questions.

Thank you.

[English]

**The Chair:** Thank you very much, Minister Freeland.

Before I open the floor to questions, I just want to remind members that we're going to stick tightly to the six-minute time frame per questioner. I will give a 30-second warning as the clock is ticking down, just so the answers can be brought to a close at that point.

With that, and without delay, we shall move to MP O'Toole, please.

**Hon. Erin O'Toole (Durham, CPC):** Thank you, Mr. Chair.

Thank you for appearing, Minister.

Canadians are keeping Michael Kovrig and Michael Spavor and their families in their thoughts. Certainly, there's very minimal consular access to them each month. Can you update Canadians on their well-being?

**Hon. Chrystia Freeland:** Thank you for the question, Erin. I'm very glad that we're starting with that issue.

The consular access is limited, but it exists. I have reports immediately after the consular visits. I would like to say that one of the things we do that Mr. Kovrig and Mr. Spavor both ask for is for them to hear about the continued efforts we're making on their behalf. I hear after every visit that it makes a real difference to them to know that we are fighting for them and standing up for them and to know what we are doing.

I would also like to say—and really pay tribute to both of them—that the situation is very difficult. Both of them are incredibly resourceful and incredibly brave and are handling themselves under highly inappropriate circumstances very, very well.

Finally, I do want to thank the Canadian diplomats in China who are providing very strong consular support for the two Michaels in what are also difficult circumstances for our diplomats.

**Hon. Erin O'Toole:** Thank you.

In late November, the Prime Minister was advised about the extradition arrest that would take place of Meng Wanzhou. On December 1, the arrest took place. On December 5, the arrest became public. On what date did you reach out to your counterpart to talk about the extradition and the process that would be followed?

**Hon. Chrystia Freeland:** Just to speak for a moment about the extradition process—

**Hon. Erin O'Toole:** Is there a date when you reached out to your counterpart?

**Hon. Chrystia Freeland:** I'm going to speak for a moment about the extradition process, because that's a very important point for our Chinese interlocutors also. I'd like to take the opportunity again to point out—and this has a very important bearing on the circumstances of the two Canadians—that as everyone on this committee knows, it is not a political process. It is a question of the rule of law. It is a question of Canada honouring its treaty commitments. As has been said clearly—but I think it's really important for our Chinese interlocutors to understand this—this was not a political decision and there was no political interference.

We immediately ensured that Ms. Meng had consular access provided to her. That was a very important point. It was important for the Chinese authorities to be able to have access to her, just as it

is important for us to have access to our detained Canadians, so there was an immediate outreach and contact with the Chinese authorities.

When it comes to my contacts with my Chinese counterparts, I have spoken on a few occasions directly with the Chinese ambassador to Canada. I would be happy at any time to have a direct conversation with Wang Yi, the Chinese foreign minister. We have been clear with the Chinese authorities that we are prepared for that conversation at any time. I'm happy to offer that invitation at another time—

● (1010)

**Hon. Erin O'Toole:** Minister, I didn't get a date in that response.

Last week on CBC radio you reached out to the Chinese government, but I'm wondering whether in the days following the arrest the Prime Minister had been briefed about the arrest ahead of time because they knew it was going to be a diplomatic dispute. When did you reach out to your counterpart to allay concerns, to talk about our extradition process directly, and to address the issue, or at least after the detention of our citizens?

**Hon. Chrystia Freeland:** In fact, our outreach to China happened before the detention of the Canadians. Our outreach to China happened immediately upon the detention of Ms. Meng, as is appropriate.

**Hon. Erin O'Toole:** That conflicts with what Ambassador McCallum told us. I can't talk about it. It was in camera.

**Hon. Chrystia Freeland:** Probably it's not very appropriate to talk about in camera conversations, but at any rate, I wasn't present for those.

Let me simply say, as is best practice and as Canada always does, upon the detention of Ms. Meng, Chinese authorities were immediately engaged because they were offered consular access to her. That is how we expect Canadians to be treated when they are detained abroad, and that is what we do for all detained foreign nationals in our country.

**Hon. Erin O'Toole:** So—

**Hon. Chrystia Freeland:** Hang on, Erin.

Chinese authorities were immediately engaged in that way. When it comes to engagement at other levels, let me be very clear with Canadians and also to reiterate to the Chinese authorities—

**The Chair:** You have 30 seconds.

**Hon. Chrystia Freeland:** —that I am ready, and indeed I would be very happy at any time to speak to my Chinese counterpart.

**Hon. Erin O'Toole:** It's been almost six months.

**Hon. Chrystia Freeland:** Hang on, Erin.

**Hon. Erin O'Toole:** It's been almost six months. Have you not met your counterpart in six months?

**Hon. Chrystia Freeland:** Hang on, Erin. It is our understanding that in these situations the Chinese practice tends to be—and Canada is not the only country that has found itself in this situation—to hold off on meetings at the highest level.

**The Chair:** Thank you, Minister Freeland.

We will now move to MP Baylis, please.

**Mr. Frank Baylis (Pierrefonds—Dollard, Lib.):** Thank you.

[Translation]

Thank you, Ms. Freeland.

My question concerns the renegotiation of NAFTA. First, I would like to take this opportunity to congratulate you on the great success of these negotiations. We know that access to the U.S. market is essential for our businesses and our economy. On that subject, could you tell us where we stand with NAFTA and why it is so important to preserve access to the American market?

**Hon. Chrystia Freeland:** Thank you for that important question, Mr. Baylis.

Again, I would like to publicly thank Steve Verheul and the entire Canadian negotiating team. Our negotiators are really the best in the world. I think I can tell you what one of the negotiators working with Mr. Verheul told me during the negotiations. He said,

[English]

You know, we're like the navy seals of Canada.

[Translation]

It was in Washington, after a very long day. All Canadians should be proud of the professionalism and patriotism shown by our negotiators. It is a privilege and an honour to work with Mr. Verheul and his team.

With respect to the new NAFTA, I would like to highlight two points that are important to Canadians. Our priority has always been to maintain access to the American market. We have access to it right now because we have NAFTA. This agreement is now in effect and offers us very significant economic opportunities. As everyone knows, this access was threatened. Indeed, the Americans wanted to hold new negotiations and modernize the agreement. However, we have been able to negotiate a new agreement that will allow us to maintain our access to the American market, which is so important to us.

As I said in my remarks, the following two elements were very important to us during the negotiations. We wanted to maintain chapter 19, which is very important for all Canadian industries, perhaps especially for the softwood lumber industry. We also wanted to maintain the cultural exception, which is also very important for all Canadians.

• (1015)

**Mr. Frank Baylis:** Especially here in Quebec.

**Hon. Chrystia Freeland:** It's important even for anglophones.

[English]

**Mr. Frank Baylis:** In your negotiations, something that I thought was quite prescient that you picked up on is now becoming a threat to the rest of the world.

A couple of weeks ago, the American president laid the groundwork for another executive order, another section 232 national security threat, to put tariffs on automobiles. It's my

understanding that you foresaw that and took some actions with a side letter that will maybe protect our Canadian automotive industry or steer us clear of that, if I understand correctly.

Can you explain what that side letter is about and how that might help us, given this new threat?

**Hon. Chrystia Freeland:** I certainly can, Frank. I would be happy to do so.

Steve and I spent quite a lot of time on that side letter, as did a much broader group. Maybe this is an opportunity for me to single out Martin Thornell, for his extremely hard work on the car issue. He is our rules of origin negotiator. He is a really brilliant person and he is very committed.

On the car sector in general, I also want to take this opportunity to thank Flavio Volpe, the Canadian car companies and car parts manufacturers and the union leaders, all of whom we worked with very closely on this effort. In fact, as the final details of the side letter were being negotiated, Steve and I were on the phone constantly, hour by hour, with these people. They really helped us shape the final agreement.

Another important thing for people to understand is that the side letter has entered into force already. It was signed on November 30 in Argentina by me and Ambassador Lighthizer. It now applies.

That's a very important point for—

**Mr. Frank Baylis:** The threats won't impact us.

**Hon. Chrystia Freeland:** Yes, I think that's what you're getting at, Frank. It's a really important point because as the United States has said publicly, the U.S. section 232 investigation on cars is now complete and the U.S. has said that over the next six months they want to have negotiations with Japan and the European Union.

The Canadian car sector is safe because that side letter is essentially an insurance policy, which means that in the event of section 232 action, our industry would not be affected.

**The Chair:** You have 30 seconds.

**Mr. Frank Baylis:** Thank you. Good work on that.

**Hon. Chrystia Freeland:** Thank you.

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

We shall now move to MP Caron, *s'il vous plaît*.

[Translation]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Thank you, Mr. Chair.

Welcome, Madam Minister.

On October 25, 2018, the Prime Minister announced that the government would review all export permits for arms to Saudi Arabia. It was announced seven months ago already, in the aftermath of Mr. Khashoggi's murder. Where are you with the review of export permits?

**Hon. Chrystia Freeland:** Thank you for this question.

Welcome to the committee. I think this is the first time we've spoken here, you and I.

I can assure you that after Mr. Khashoggi's murder, no new arms export permits to Saudi Arabia were granted. That's what we have announced, that's what we have done and continue to do. It's a matter we take very seriously. We are looking at the situation.

I would like to highlight something important. Agnès Callamard, the UN Special Rapporteur, is currently investigating the murder of Jamal Khashoggi. I spoke with Ms. Callamard on the phone, and I have also met with her at the UN. We fully support her work.

•(1020)

**Mr. Guy Caron:** I don't necessarily want to talk about Mr. Khashoggi now.

I didn't get an answer to my question. I know there haven't been any new export permits. That's the first announcement. The second announcement, which was made at the same time as the first, stated that the existing arms export permits to Saudi Arabia would be reviewed. It's been seven months now since that was announced, but Parliament still has no idea where this review process stands.

I'll remind you that Germany, Finland, Denmark and the Netherlands have suspended arms sales, despite the fact that they had existing contracts.

So, I ask again: where are we with the review of arms export permits to Saudi Arabia?

**Hon. Chrystia Freeland:** That's an important question. One of the elements of this revision is the investigation into the death of Jamal Khashoggi. That's why I talked about Agnès Callamard's work. The death of Jamal Khashoggi is one of the causes that inspired the press rights conference in England, which I have already mentioned. Jeremy Hunt, the British Secretary of State for Foreign and Commonwealth Affairs, and I announced the conference in France during the G7 meeting. We mentioned that the death of Jamal Khashoggi was one of the elements that inspired the conference.

You know, from speaking in the House, that the war in Yemen is one of the issues we're working very hard on. This is a significant part of this big issue. A few weeks ago, I had a conversation with Martin Griffiths. Canada is strongly committed to the process. With Mr. Griffiths, we are looking for a way to reach a ceasefire, to find peace in Yemen.

**Mr. Guy Caron:** I fully understand the situation. You raised the issue of Yemen. However, it isn't just the murder of Mr. Khashoggi that's at play. There is also the fact that these people are using these weapons both against their own people and in the conflict in Yemen. I find that paradoxical. Saudi Arabia is using the weapons we send to it to block ports and embargo the humanitarian aid we want to bring to Yemen. I think that's problematic.

I find it difficult to understand how Canada can take more than seven months to review arms export permits when its partner, Germany, which has major sales contracts with Saudi Arabia, immediately suspended its exports and extended the suspension of arms sales. Human rights are at stake, whether it is Mr. Khashoggi or the conflict in Yemen. I remind you that there are more than 22 million displaced people in this country who have been victims of the conflict.

Meanwhile, a permit for arms exports to Saudi Arabia is still being reviewed. This review, I remind you, came after the Prime Minister mentioned that it would be too expensive to break the contract and that some of your comments were quoted on the radio saying that it was very important for Canada to be a trusted partner in the world—

[English]

**The Chair:** You have 30 seconds.

[Translation]

**Mr. Guy Caron:** —for a longer period than that guaranteed by election cycles. You were talking about the sale of weapons in Saudi Arabia.

**Hon. Chrystia Freeland:** You said there were 30 seconds left?

[English]

**The Chair:** You have 20 seconds remaining for the answer.

[Translation]

**Hon. Chrystia Freeland:** Okay.

So I'll raise two points. I share your concerns about the war in Yemen. I think this is a crucial issue and a very important part of this discussion. For that reason, Canada is very committed to this. I would like to stress something, because it's important—

[English]

**The Chair:** That's time, Minister, sorry.

[Translation]

**Hon. Chrystia Freeland:** May I finish my intervention?

From the moment Jamal Khashoggi died, new export permits were not granted. This is an important fact.

**The Chair:** Thank you.

[English]

Next up is MP Sidhu, please.

**Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.):** Thank you, Mr. Chair.

Thank you, Minister, for coming to the committee this morning.

I'm pretty sure most Canadians across the country are very thankful to you for your hard work on steel and aluminum tariffs. Your persistence, effort and engagement with the U.S. resulted in Canadians securing the full removal of the section 232 U.S. tariffs without quotas. The tariffs were only lifted in Mexico and Canada. It's not big, but it's a unique accomplishment.

Since everything is said and done, can you share some of the strategies that were used during the negotiations with the U.S.?

•(1025)

**Hon. Chrystia Freeland:** I am very happy to talk about this.



Maybe I'll start with a phone conversation I had this morning before coming to the committee, where I had a chance to speak to Mike Pompeo, the U.S. Secretary of State.

Because the section 232 tariffs are on national security grounds, this was an issue that was appropriate to raise with the Secretary of State. Also, I do want to thank my colleague Harjit Sajjan who raised the issue very effectively with the Pentagon.

This morning I had a chance to thank Secretary Pompeo for the work he did on this, which I think was considerable.

I think this is really a story of our country being united, of our country being persistent, of our country understanding that facts matter and of our country being resolute.

You guys should talk to Steve afterwards, because I'll be interested in his view, but I think the lifting of the tariffs actually started on July 1, when our retaliatory measures took effect. It was the largest trade action that Canada had taken since the Second World War. It was a clear sign that Canada would act in response.

It was also important that we took that action, as I believe the Prime Minister put it at the time, more in sorrow than in anger, that we understood that this action was harmful to everybody, that having tariffs between Canada and the U.S. just made no sense and hurt people on both sides of the border, and that—

**Mr. Jati Sidhu:** Thank you for touching on the retaliatory measures. How important were they actually during the negotiations?

**Hon. Chrystia Freeland:** The fact that we acted strongly from the outset was absolutely essential. I know there were voices in Canada that called on us publicly to drop the retaliation. I'm glad we didn't listen to those voices.

The retaliation was difficult. It was difficult to stay the course, but that was absolutely essential.

I do want to thank another person and I'd like to just mention a couple of other things.

We were able to work very closely with the leaders of the steel and aluminum sectors, both industry and unions. We had a meeting of the steel CEOs last Friday in Toronto. Steve was there, as was Ambassador MacNaughton. The steel CEOs said to me and Steve that they would miss our sometimes nearly weekly Friday get-togethers. I do really want to commend both of those sectors for doing the homework that was necessary for us to support them. They worked hard. They got together.

I'll also mention Catherine Cobden. She is the head of the steel association and she did a really good job of bringing those people together.

A final person who I think it's worth mentioning is Senator Chuck Grassley, the chair of the U.S. Senate finance committee. He has been very clear about his view that the section 232 tariffs needed to be lifted. He wrote an important op-ed in the Wall Street Journal on April 29, where he said explicitly that NAFTA could not be ratified in the U.S. Senate as long as the tariffs were in place.

I have been in close touch with Senator Grassley. I've met him twice in person and spoken to him often on the phone. Our ambassador, David MacNaughton, and our embassy have been working closely with him and his staff. His strong work and his strong credibility really also made an important difference.

I emphasize that because it's important for us to recognize a good trade deal—

• (1030)

**The Chair:** You have 30 seconds.

**Hon. Chrystia Freeland:** —is a win-win and lifting the tariffs is good for both countries.

**Mr. Jati Sidhu:** Minister, very quickly, on the Columbia River Treaty negotiations with the U.S., since it's in British Columbia, I'm very keen to know, in 10 seconds, how you could help with that.

Thank you, Chair.

**Hon. Chrystia Freeland:** Sorry for letting my enthusiasm about section 232 take over.

Yes, the Columbia River Treaty is obviously an important treaty for B.C. in particular, but also for all of Canada. I was recently in Castlegar in the Columbia River basin.

**The Chair:** That's time.

**Hon. Chrystia Freeland:** One important thing we were able to do and announce there is that, for the first time in a Canadian treaty negotiation, the indigenous people will be represented at the table, sitting on the Canadian side—

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

**Hon. Chrystia Freeland:** —with official observer status.

**The Chair:** Thank you.

We will now move to MP Saini, please.

**Mr. Raj Saini (Kitchener Centre, Lib.):** Good morning, Minister, and thank you for coming here this morning, and thanks to your colleagues, also.

I want to touch on two topics that you mentioned in your opening comments. The first one is about Venezuela. I'm sure you can appreciate that all Canadians are concerned about the tragic situation that's happening in Venezuela right now. We appreciate the fact that Maduro seized power through fraudulent means. It's an international crisis that's slipping across the borders, especially with Colombia, as you can appreciate.

I know that Canada has taken a strong lead within the Lima Group. Can you update us as to where we are, the stance we've taken and the leadership we've shown within that group and where we're going forward?

**Hon. Chrystia Freeland:** Yes. Thank you for the question. It's a really important issue.

The situation in Venezuela is a tragedy. Venezuela not so long ago was among the richest countries in our hemisphere, and it has now been reduced to a terrible state of human misery. There has been, by the Maduro regime, a systematic and intentional dismantling of Venezuelan democracy. That is why we, the hemispheric partners of Venezuela, had to act, and we are acting.

On a few specifics, I can announce a few things that are happening. Next Monday, June 3, we will have a meeting in New York of three countries of the Lima Group—Canada, Chile and Peru—with the European-led ICG, led by Federica Mogherini. The foreign minister of Portugal will also be there. That's an effort to continue our work with international partners.

It's important because I think one of the really central positive facts in a tragic situation over the past few months has been the very wide international recognition of Juan Guaido as the legitimate interim president of Venezuela. The European Union and the European Union countries have been central in that, so it's an important meeting.

We will also be having a meeting of the Lima Group in Guatemala on Thursday, June 6, which I will be attending, to continue the conversation.

Obviously one of the issues I discussed with Secretary Pompeo this morning was the situation in Venezuela, and we continue to be working closely with our American partners.

I'd like to mention for Canadians two other aspects of this. I spoke about—and it is really an overwhelming concern of mine—the threat to liberal democracy in the world today and the rise of authoritarianism. In a world that is facing that challenge, our hemisphere has been doing pretty well. You could even describe our hemisphere as one of the refuges for liberal democracy in the world. I think that's one of the reasons it is so important for Canada and for our hemispheric partners to stand up in support of democracy and human rights in Venezuela.

The second element of the Lima Group I want to quickly mention is that I really think a key tool of diplomacy and foreign policy today and in the years to come is assembling multilateral coalitions of like-minded countries to work on pressing issues. The Lima Group is a fantastic example of that, and I am really proud of the countries of our hemisphere coming together to do that work, so I really thank our Lima Group partners.

• (1035)

**Mr. Raj Saini:** My final question is one that is somewhat personal to me because I have a Rohingya community in my riding, not sizable but very active, and I have been engaged in this issue ever since the situation emerged in August 2017. As you know, it's a genocide, a terrible situation in terms of human rights that almost half a million have been displaced.

I know that through our international development assistance and also through our foreign policy, we've also had significant effects on what's happening on the ground. Can you update us on what we've been doing there?

**Hon. Chrystia Freeland:** Thank you for the question.

I do know about the Rohingya community in your riding. It is a small but mighty Canadian community. I've met with leaders of that community.

I'm glad you mentioned their specific work, because I think a strength of Canada is the fact that we have many Canadians who are personally connected and engaged with so many parts of the world. I have learned a lot about the Rohingya—

**The Chair:** You have 30 seconds.

**Hon. Chrystia Freeland:** —from Canadian Rohingyas.

I'm also really glad—and I'd like to say this to everyone on the committee—that our country and our Parliament were able to acknowledge what has happened to the Rohingya as a genocide. It's a very important step, and I'm glad for us, as a country, that we did it.

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

We will now move to MP O'Toole.

**Hon. Erin O'Toole:** Thank you, Mr. Chair.

I'm going to follow up on Monsieur Caron's line of questioning because Saudi Arabia has always been a challenge. There are not common values, but there is often very aligned mutual interests. On August 3 of last year, a tweet in Arabic from the embassy in Riyadh led to a crisis with that country on a diplomatic level. In fact, the outgoing former ambassador, Ambassador Horak, called the tweet “a serious overreaction”. By the end of August, your department was advising of major trade disruptions with that country.

Last fall, throughout September, October and November, SNC-Lavalin met with Michael Wernick, Bill Morneau, Ben Chin, Elder Marques and Mathieu Bouchard. That's quite well known now in Canada. Over that period, the largest company hit by the disruption was SNC-Lavalin. In fact, the CEO said that diplomatic tensions, in his words from that tweet, were “hurting the company's bottom line”, so much so that material statements were made publicly, because it's a publicly traded company. A few months ago, they estimated that the losses attributable to that tweet and the dispute at \$1.1 billion for SNC-Lavalin.

While there were discussions about the DPA with SNC-Lavalin, were you involved in any discussions about the diplomatic dispute that was costing them billions?

**Hon. Chrystia Freeland:** I was not.

**Hon. Erin O'Toole:** Were any of your officials involved in any discussions with the Prime Minister's Office on relief in one way or another for SNC-Lavalin?

**Hon. Chrystia Freeland:** Not that I am aware.

**Hon. Erin O'Toole:** Can you undertake to check on that, Minister?

I find it difficult to believe that the situation with Saudi Arabia—not on your part—was not part of the overall discussion last fall on the SNC-Lavalin affair. A diplomatic dispute led to far more losses than a criminal court proceeding and a remediation agreement.

**Hon. Chrystia Freeland:** You may find it difficult to believe, but it is absolutely the case that the issue was not raised with me by anyone. My own position on the importance of speaking up for human rights is well known, and let me also add, that's the right thing.

I really want to say that our relationship with Saudi Arabia is long-standing and has many different elements, and that is a relationship which is ongoing. Having said that, particularly today, when human rights are under attack in so many parts of the world, when fewer countries are prepared to raise their voice and speak up for human rights, I strongly believe that is something Canada needs to do. We need to speak out for human rights activists who are under pressure, including women activists. That is something we have done and we will continue to do. I strongly believe that is something Canadians think is the right thing and they support.

Specifically—

• (1040)

**Hon. Erin O'Toole:** That's something we agree on, Minister.

**Hon. Chrystia Freeland:** —as I said to Guy, I think that subsequent events have shown clearly—

**Hon. Erin O'Toole:** But if we have no relationships—

**Hon. Chrystia Freeland:** Hang on, hang on.

Subsequent events have shown—

**Hon. Erin O'Toole:** You're very good at running the clock, Minister.

**Hon. Chrystia Freeland:** No, that's not what I'm trying—

**Hon. Erin O'Toole:** If we have no relationships—

**Hon. Chrystia Freeland:** Erin, that is not what I'm trying to do. I

**Hon. Erin O'Toole:** —with China, with Saudi Arabia, if we have no diplomatic exchange, if you can't get a call returned, how can we advocate for human rights or citizens or our economic interests?

**Hon. Chrystia Freeland:** Let me just say that I think the Canadian position—and really, the strength and power of our voice when it comes to defending human rights—has been recognized by the fact that Great Britain chose Canada as its partner for the international media freedom conference. That was very much inspired by the appropriate outrage that people feel about the terrible murder of Jamal Khashoggi.

Frankly, I'm rather surprised that the Conservative Party would not be supportive of speaking up for human rights.

**Hon. Erin O'Toole:** You can't speak if we don't have a diplomatic presence, Minister.

**Hon. Chrystia Freeland:** We do have a diplomatic presence.

**Hon. Erin O'Toole:** Right now we have a situation where there are garbage flotillas coming back to Canada. We have major diplomatic disputes with more countries than ever before in our history, to the point where former diplomat Colin Robertson wrote about it in the *Globe and Mail*.

How are we engaging if countries are not talking to us, if they're recalling their ambassador or if they're not taking us seriously?

**Hon. Chrystia Freeland:** Let me strongly disagree with that characterization of Canada's position in the world. You've mentioned a number of unrelated cases. When it comes to the Philippines specifically, I spoke on Sunday in a very positive conversation with the foreign secretary of the Philippines. We are working effectively and constructively with the Philippines to resolve that situation.

More broadly, let me just say this. The world—

**Hon. Erin O'Toole:** Are they returning their ambassador?

**Hon. Chrystia Freeland:** I didn't interrupt you, Erin. I'd like you to listen to me and pay me that courtesy, please.

More broadly, I meant what I said. The world is at a worrying inflection point. We are at a time when authoritarian regimes are on the rise, when liberal democracy is under assault and when the rules-based international order is under threat. Canada has a couple—

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

**Hon. Chrystia Freeland:** I'm going to say two more sentences, Michael.

**Hon. Erin O'Toole:** We have no voice.

**Hon. Chrystia Freeland:** Canada is doing a lot in that environment. First of all, in the most protectionist climate since the Second World War we have secured not one, not two, but three global trade deals. That is astonishing and meaningful for Canadians.

Second of all, we are building new, original and effective multilateral alliances to speak up for the rules-based international order, as we discussed with the Lima Group, as we will be doing in Britain over the summer to support media freedom.

Third, I will never apologize for our speaking out in defence of human rights, even when sometimes some people don't like it. You have to have the courage of your convictions, and I believe that's something Canadians believe in.

**The Chair:** Thank you very much to all members for their questions this morning, and of course to Minister Freeland for being here to address the committee and to answer those questions.

We shall gather again on Thursday morning.

With that, we shall adjourn.





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