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# Standing Committee on International Trade

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Chair: The Honourable Judy A. Sgro





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• (1320)

[English]

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

Welcome to meeting number five of the House of Commons Standing Committee on International Trade.

Today's meeting is taking place in the hybrid format, pursuant to the House order of September 23, 2020. The proceedings are available via the House of Commons website.

To ensure an orderly meeting, I would like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting.

You have the choice at the bottom of your screen of floor, English or French.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the directives from the Board of Internal Economy regarding masking and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute your mike. For those in the room, your microphone will be controlled as normally done by the proceedings and verification officer. When you are not speaking, your mike should be on mute.

Pursuant to Standing Order 108(2), the committee will now proceed with its study of trade between Canada and the United Kingdom and a potential transitional trade agreement.

We welcome our witnesses today.

From the Department of Foreign Affairs, Trade and Development, we have Steve Verheul, chief negotiator and assistant deputy minister, trade policy and negotiations; Sara Wilshaw, chief trade commissioner, and assistant deputy minister, international business development, investment and innovation; and Doug Forsyth, chief negotiator for the Canada-United Kingdom transitional trade agreement.

From the High Commission for Canada in the United Kingdom, we have Janice Charette, high commissioner for Canada in the United Kingdom of Great Britain and Northern Ireland; Nathalie Dubé, minister/counsellor (commercial/economic) and senior trade

commissioner; and Aaron Fowler, chief agriculture negotiator and director general, trade agreements and negotiations.

Welcome to you all.

Mr. Forsyth, you have the floor.

**Mr. Doug Forsyth (Chief Negotiator for the Canada-United Kingdom Transitional Trade Agreement, Department of Foreign Affairs, Trade and Development):** Thank you, Madam Chair.

Good afternoon, honourable members. Thank you for the invitation to appear before the Standing Committee on International Trade to provide an update on the Canada-U.K. transitional trade agreement and Canada's discussions with the U.K. towards an agreement based on the Canada-EU comprehensive economic and trade agreement, or CETA.

We thank the committee for its interest in this topic.

As I believe we are all aware, in 2016 the United Kingdom held a referendum on its membership in the European Union, which resulted in the decision to leave the EU single market, customs union and free trade area.

That decision has clear consequences for the Canada-U.K. trade relationship.

For one, the United Kingdom leaving the EU means it can no longer be party to the CETA as of the end of the Brexit transition period, which is December 31, 2020.

Two, after over four decades of EU membership, Brexit will bring about significant changes in the United Kingdom's trade and economic relations with its largest trade partner.

Three, going forward, the U.K. may choose to take new approaches to trade. These will be of interest to close trade partners like Canada. Canada and the United Kingdom have historically enjoyed mutually advantageous commercial relations. Both sides are keen to work together to maintain our strong trading relationship post-Brexit and to seek to mitigate potential disruptions for stakeholders.

In September 2017, when the U.K.'s approach to Brexit was in its early stages, Prime Minister Trudeau and then U.K. prime minister May met to discuss how to strengthen our bilateral relations, including in the area of trade. At that time, Prime Minister Trudeau and Prime Minister May pledged to seek as seamless a transition as possible for our trade relations.

Soon thereafter, officials undertook a trade dialogue aimed at substantively replicating the CETA on a bilateral basis as an interim measure in response to Brexit. As the U.K. was still formally part of the EU until January 31, 2020, it was not able to undertake new international trade negotiations at that time. However, it could discuss a replication of CETA. Our trade dialogue talks advanced in 2018 and into 2019.

A number of CETA chapters could be converted to bilateral provisions in a straightforward manner. Others required some minor technical modifications. A small but important list of chapters required intensive negotiations to turn the CETA obligations into Canada-U.K. obligations. For these areas, we undertook targeted consultations with implicated sectors and have been keeping them informed of developments.

In addition to providing these stakeholders with updates on progress throughout the trade dialogue, we have also been keeping provincial and territorial trade representatives informed via the Committee on Trade, or C-Trade.

As of March 2019, our discussions with the U.K. were quite well advanced.

Then, the United Kingdom unexpectedly announced a plan to offer duty-free access on 95% of all of its tariff lines to all World Trade Organization members in the event of a no-deal Brexit. As this change in approach by the U.K. would have significantly undermined the benefits of any preferential trade agreement between us, we paused these discussions.

Over the months that followed, Canada continued to closely monitor Brexit developments. We welcomed the ratification of a withdrawal agreement between the EU and the United Kingdom in January 2020. That treaty established the current Brexit transition period, during which the United Kingdom continues to participate in the EU single market and benefit from EU FTAs like the CETA. Canada was pleased to confirm its agreement for this arrangement with the EU and U.K., as it offered a longer period of certainty for our stakeholders.

In May 2020, the U.K. released a new most-favoured nation, or MFN, applied tariff schedule called the U.K. global tariff, or UKGT.

Then, in June 2020, the U.K. decided it would not seek to extend the Brexit transition period beyond 2020. Just for reference, the withdrawal agreement provided the option of a one-time extension to the end of 2021 or 2022.

Soon after these events, Canada proposed a resumption of our discussions on a transitional trade agreement that could apply from the end of the transition period.

• (1325)

Minister Ng and her U.K. counterpart Secretary of State Truss confirmed that officials should re-engage in discussions on an interim agreement for the end of this year, with the goal of avoiding a “cliff edge” for business.

Both also agreed that we should look ahead to subsequent new bilateral negotiations to be launched as soon as next year. Despite COVID-19 restrictions, we undertook an intensive schedule of virtual discussions over the past few months. There has been very good progress, especially recently, and we expect to soon be able to announce a conclusion of talks.

A number of steps would then follow to prepare to seek the government's approval for signature and to table the bill in Parliament for its consideration.

This transitional trade agreement will not be like other trade agreements Canada has negotiated. It is an interim measure in response to the unique situation Brexit has presented, where a party to one of Canada's recent trade agreements, i.e., the CETA, can no longer be covered by its provisions. As such, Canada and the United Kingdom also plan to enter into subsequent new negotiations in the near term. Those future negotiations would be best tailored to our bilateral relationship, reflect the interests of the parties and respond to any post-Brexit developments.

Ahead of the launch of any new comprehensive FTA negotiations, the government will undertake consultations with Canadians and follow any policies in place for the notification of Parliament. Officials will look forward to providing this committee with updates on that future FTA initiative.

Returning to the transitional trade agreement discussion, Madam Chair, let me end by saying that throughout the Brexit process Canada has taken a constructive approach in seeking to avoid disruptions for our businesses. We have heard from a number of industry stakeholders, as well as provinces and territories, about the importance of maintaining a preferential trading relationship with the United Kingdom.

The trade commissioner service, or TCS, has been engaging with Canadian businesses on the implications of Brexit. The TCS has done this through a dedicated web page on Brexit for Canadian companies and in terms of direct client service. TCS remains committed to continuing to assist Canadian companies doing business with and in the U.K.

Whatever the ultimate outcome of Brexit, the United Kingdom will remain a significant market for Canadian businesses, and we will continue to work together to build on our strong trading relationship to grow our economies and benefit our people.

Along with my colleagues here today, I look forward to your questions and our discussions.

Thank you.

**The Chair:** Thank you very much, Mr. Forsyth. We appreciate your comments.

I'd like to welcome Mr. Fragiskatos to the committee today.

I hope you enjoy your time here.

We'll go on to the Conservative Party and Ms. Gray for six minutes, please.

**Mrs. Tracy Gray (Kelowna—Lake Country, CPC):** Thank you, Madam Chair, and thank you to all of the witnesses for being here.

When looking at some type of an agreement started, and we know that this has been in the works for several years, was the goal always to have some type of a transitional agreement or was that decision made along the way? Did that change? Was it a matter of having a full free trade agreement or was it always to have some type of transitional agreement?

**Mr. Doug Forsyth:** I think one of our constraints—one of the biggest constraints during this—as we launched the negotiations was the fact that at the beginning, in September 2017 and then moving forward into 2018, the United Kingdom was a member of the European Union so they were not able to engage in a full-scale trade negotiation. The only thing they were able to do was to replicate the CETA, so from our perspective it was very much a transitional agreement. We identified early on that we would like to launch a full-scale bilateral negotiation, but the United Kingdom was not able to do that when we began the process.

• (1330)

**Mrs. Tracy Gray:** When you decided to pause the negotiations, where did that direction come from? Did that come from the Prime Minister's Office or from the minister's office, or was that based on a recommendation from your department?

**Mr. Doug Forsyth:** I think that was a decision that we took as a negotiating team when it became evident that it would not provide a good outcome for Canadian producers and exporters. By providing all countries with basically duty-free access, there was no preferential agreement for Canadian producers and exporters, so we decided to pause negotiations.

**Mrs. Tracy Gray:** So that was strictly an initiative taken on by your department. There was no involvement from the minister, or higher, to pause negotiations with another country.

**Mr. Doug Forsyth:** Well, we do have the mandate to negotiate free trade agreements in the best interests of Canada.

Of course, we would inform the minister of any decisions that we take along the way, which we did. However, at the negotiating table, there was no reason to continue if it was not in the interests of Canada.

**Mrs. Tracy Gray:** You mentioned in your opening remarks that you did a number of consultations with specific sectors, not en masse. Can you let us know what those specific sectors are?

**Mr. Doug Forsyth:** They were mostly in the agriculture sector.

We published a Canada Gazette notice to seek views from people, from companies and associated stakeholders.

The sectors that had the most interests were on the exporting side, of beef, pork and grains, and on the importing side, because of the nature of the agreement, dairy stakeholders. We have kept them in the loop as well.

**Mrs. Tracy Gray:** Going back to looking at the negotiations that were occurring, surely there would have been a sign-off from a minister to halt negotiations. Did that occur? Did the minister sign off on halting negotiations with the U.K.?

**Mr. Doug Forsyth:** We briefed the minister and the minister's office, as we would during the normal course of business.

As I said, there was clear recognition from the negotiating team and our recommendation was that we not continue the negotiations at that time. It would not have been in the interests of Canadian exporters and producers to have to compete with other [*Technical difficulty—Editor*]. These competitors, for example, producers from the United States and China, who would have had duty-free treatment into the U.K.—

**Mrs. Tracy Gray:** Okay, but my question was, did the minister sign off on that?

**Mr. Doug Forsyth:** The minister was in agreement with our recommendation, yes.

**Mrs. Tracy Gray:** Okay.

Why would other countries have continued on if the format was similar with other countries? We know now that many other countries have deals, and here we are literally at the eleventh hour. Why would other countries have continued on and we chose to hold off for so long?

**Mr. Doug Forsyth:** I think other countries are going to make decisions that are in their interests.

At the time that the United Kingdom chose to offer duty-free treatment to all WTO members, certainly other countries looked at what we did, and they also paused. They didn't do it officially, but they certainly took a step back and then looked at what's in their interests. That—

**Mrs. Tracy Gray:** Okay, thank you, and thank you for confirming that the minister had signed off....

**The Chair:** Thank you, Ms. Gray. I'm sorry, but your time is up.

We'll go to Mr. Sheehan.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** First of all, thank you very much for your presentation.

It was interesting. Yesterday I had a Zoom call with some members of the United Steelworkers here—the three locals that are making steel—and the conversation about England came up.

As we know, England had a very robust steel industry, but over time they had chosen not to be in the steel business. It's one of the things that sometimes you hear in North America: “too big to fail”. You think that the steel industry will automatically always be there. It certainly takes a commitment by a country that they want to be in the steel and aluminum business, because other countries are outsourcing it.

My question for some of our negotiators to kick this thing off, especially since it's fresh in the mind, is about opportunities. I'm using steel as an example, but that England does not manufacture....

What are the other opportunities going forward that we would be looking at negotiating and securing our current trade status on, and looking at perhaps new opportunities for various industries from coast to coast to coast?

That's through you, Madam Chair, to our representatives.

• (1335)

**The Chair:** Mr. Forsyth.

**Mr. Doug Forsyth:** I can start and then I probably will look to other colleagues to respond as well.

I think we have had a very successful run of great negotiations and/or renegotiations in the recent past, starting with CETA. We launched those negotiations about 10 years ago. It took about seven years. CETA has been in place for three years and has been quite successful for Canadian companies.

During that time we've also negotiated the CPTPP and then very recently there were the CUSMA negotiations that all of my colleagues were involved in as well.

As we look at the landscape of what's out there, we continue to look at interesting opportunities. We do have ongoing negotiations with the Pacific alliance, with Ukraine and with India.

At this point we're looking around and starting to look at other opportunities for what's out there beyond the big negotiations that we've recently concluded. That's part and parcel of some of the work we're undertaking now, both in the department and within the government.

Would my other colleagues like to add to that?

**Mr. Terry Sheehan:** I'll just expand on what you were saying and perhaps delve a little deeper into this.

Did you guys wait for the official completion of Brexit before you started the process of negotiating or chatting with them—negotiating, calling and talking? Were you doing that ahead of time, or were you able to do it ahead of time?

**Mr. Doug Forsyth:** They had their referendum in June 2016. At that time there was some question as to how it would turn out. Then the United Kingdom needed to decide what they wanted to do after they got the result they ended up with.

Like any negotiation, it takes two willing partners. They had not had the competency to negotiate free trade agreements at that point. It does take a little bit of time to develop that expertise, move some resources around and prioritize that.

It took some time for that. I think they clearly recognized the benefit of maintaining trade relations with Canada in some way, shape or form. That's why, in 2017, former prime minister May and Prime Minister Trudeau decided there was some scope for us to explore how we could maintain the trade relationship and make sure that whenever they did officially get to Brexit we would have something in place to mitigate what would happen at that time.

**Mr. Terry Sheehan:** I have another question.

We know the U.K. has been negotiating agreements with several countries now and they recently signed an agreement with Japan, I believe. I'm also co-chair of the Canada-Japan Inter-Parliamentary Group. I know that England was negotiating and signing with Japan.

What else is England doing in regard to various things? I know that for the CPTPP, which this committee had recently landed the plane on, England had tried at one point in time to get in on that because they had some islands in the area and whatnot.

Could you give us a bit of an overview of where they are with some of those other countries they've been negotiating with?

• (1340)

**The Chair:** Please give a short answer, if that's possible, Mr. Forsyth.

**Mr. Doug Forsyth:** Okay, that's fair enough.

They have a couple of different streams of negotiations. They do have the continuity agreements, like what we're doing with Canada, where they are trying to replicate their agreements that they have with the European Union as they leave it.

They have another pool where they have actually launched trade negotiations. In that pool I would include Australia, New Zealand and the United States. Then, of course, they do have their major negotiation which they're doing right now with the European Union, which is about 50% of their trade.

You're correct, Madam Chair, that the United Kingdom has absolutely indicated a strong interest in joining the CPTPP. They have not filed an official application yet, but Canada has indicated that we would be supportive of their interest.

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

We'll move to Mr. Savard-Tremblay.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Thank you, Madam Chair.

Thank you to all the witnesses for being here.

I would appreciate it if you kept your answers concise. As is often the case with these studies, the questions are numerous.

Mr. Forsyth, we are talking about a transitional agreement, not a full-scale trade agreement. We aren't at that stage yet. The honourable member asked you whether you had a transitional agreement in mind from the start or whether the initial goal was a full free trade agreement. She was wondering whether you realized that a full-scale agreement wasn't going to happen right away and you were forced to pivot towards a transitional agreement. You said a transitional agreement had been the plan all along.

Quickly, could you give me a sense of your timetable? If Canada signs off on the transitional agreement, how long will it be in effect? When do you expect to have a full free trade agreement for us to review?

[English]

**Mr. Doug Forsyth:** Thank you for the question, Madam Chair.

We definitely see the transitional trade agreement as an interim agreement, a first step.

We indicated early on that replicating the CETA is what we have available to us at this time. In order to ensure that continuity for businesses—Canadian businesses, exporters and producers—we wanted to ensure that continuity was in place.

We identified fairly early on that we would like to launch a bilateral agreement that best reflects the trade and the relationship between Canada and the United Kingdom. Part and parcel of our negotiations with the United Kingdom right now is how to best move forward with that.

When Secretary of State Truss and Minister Ng spoke in August, there was a clear commitment by both ministers to launch a bilateral negotiation once we completed the work on the transitional trade agreement. We expect to do that sometime next year. Of course, in advance of that we would do a full-scale consultation with all interested stakeholders.

It is very much the case that the transitional trade agreement is an interim step, from our perspective. Then we would have a full-scale bilateral agreement in place in the coming [Inaudible—Editor] launch the negotiations next year and then have it in place within a few years after that.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Will the transitional agreement remain in effect until the full-scale agreement is signed, or does it expire?

[English]

**Mr. Doug Forsyth:** Yes, Madam Chair. It would be in effect until we sign another agreement. That would absolutely be the case. It is transitional, but there would not be an expiry date with it.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** That means the transitional agreement will remain in effect until a replacement agreement is reached, however long that takes. The transition period won't exactly be short.

The briefing package we got last week indicates that a copy and paste of CETA would not be an acceptable long-term solution. My understanding is that the transitional agreement looks a lot like

CETA and could remain in force for quite a while should the negotiations hit a roadblock.

● (1345)

[English]

**Mr. Doug Forsyth:** The transitional agreement is based on the CETA, absolutely. As I mentioned, replicating the CETA was the goal. It was what the U.K. was allowed to do, as they were an EU member at the time when we launched the negotiations.

It was very much the case that we would bilateralize it to the greatest extent possible. Some areas were easy to bilateralize, others not so much. Then there were some areas in which we absolutely had to negotiate clear outcomes on a bilateral basis with the U.K.

When we conclude the negotiations and the treaty is presented, there will be quite a few similarities with the CETA, although it will not be an exact copy and paste of that agreement.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you.

How much time do I have left, Madam Chair?

[English]

**The Chair:** You have one minute.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I have a good question for you, Mr. Forsyth, but it would require more than a minute to answer. I will ask you another instead.

Without a transitional agreement, Canada would be subject to the tariff schedule released by the U.K. in May 2020. That would mean Quebec-made products that are currently not subject to duties would be taxed beginning on January 1, 2021.

Did you study the impact on exports if Canada and the U.K. do not have an agreement in place by January 1, 2021?

[English]

**Mr. Doug Forsyth:** If we did not get an agreement with the United Kingdom by January 1 of next year, then, yes, all MFN tariffs would apply for Canadian exports into the United Kingdom. The United Kingdom exports into Canada would also have to pay the MFN tariff.

Our analysis indicates that about 80% or so of exports would be MFN duty-free, or UKGT duty-free, going into the United Kingdom. Still, there would be some impact on certain sectors where there would be duties applicable. Those would be the agriculture and seafood areas.

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

Mr. Blaikie.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** I'd like to follow up on the issue of economic impact. Could you table with the committee any economic impact assessment that the government has conducted on a "no deal" scenario between Canada and the U.K.?

**Mr. Doug Forsyth:** Yes, I think we can do that. Sure.

**Mr. Daniel Blaikie:** Thank you.

Could you also table a list with the committee of all of the stakeholders that you have been keeping apprised of negotiations since they first began?

**Mr. Doug Forsyth:** Yes, we can do that too.

**Mr. Daniel Blaikie:** Thank you very much.

With respect to having a sunset clause on a transitional agreement, I understand from what you just said that there is no plan for that. Was that possibility raised by either of the parties during negotiation?

**Mr. Doug Forsyth:** I don't recall specifically anybody talking about a sunset clause, per se. I think there was a clear indication by both parties and a recognition that this was a transitional agreement and that in some way, shape or form—although we used different terminology, it was in some way, shape or form—there was a desire to have a different type of bilateral agreement. There was a recognition that some things might not work as well as they could but that nevertheless, I think, in the short term, as they transitioned out of the EU, a transitional agreement could work. I'm thinking specifically about some of the rules of origin that would work better in a bilateral context.

• (1350)

**Mr. Daniel Blaikie:** For greater clarity, then, it was never Canada's position that there ought to be an expiration date on the transitional agreement.

**Mr. Doug Forsyth:** We never put forward an expiration date on the agreement, no.

**Mr. Daniel Blaikie:** Could you offer the committee an explanation as to what the difference is between a transitional agreement that never expires and a comprehensive trade agreement?

**Mr. Doug Forsyth:** I think a comprehensive trade agreement, much like we have with the CETA, covers all kinds of areas. It is in the context of the CETA. It is based on the fact that negotiation between Canada and 27, at the time 28, other members of the European Union.... That's why we looked at it and said we could replicate it, and would do our best to replicate it, with one country. Yet at the same time, I think there are areas where we could go farther with the United Kingdom.

As I mentioned early on in my remarks—

**Mr. Daniel Blaikie:** I'm interested in this point of clarification.

If the transitional agreement is going to be more or less a carbon copy of CETA, which is the comprehensive trade agreement, and if the transitional agreement has no expiration so that it could last indefinitely, what is the meaningful difference there between a comprehensive trade agreement and a transitional trade agreement that's a carbon copy of a comprehensive trade agreement that never expires?

**Mr. Doug Forsyth:** As I was saying, they are not a carbon copy. There are differences. We are working on some differences that will be material. When the negotiations get concluded, then it will be available for folks to see that while it is transitional in nature, there are areas that will be bilateralized sooner rather than later.

**Mr. Daniel Blaikie:** I know we have had—

**Mr. Doug Forsyth:** So it's not—

**Mr. Daniel Blaikie:** Sorry.

**Mr. Doug Forsyth:** No, go ahead.

**Mr. Daniel Blaikie:** I know we have had a commitment from the department before to table with the committee the definition of a comprehensive trade agreement and a transitional trade agreement, respectively. I don't believe we've had that yet. Perhaps you can give us a sense of when we can expect those definitions to be tabled and whether we can expect them to be tabled before the end of the month.

**Mr. Doug Forsyth:** In fact, I signed off on them not that long ago. I believe they will be making their way to the committee very soon. Today is the 20th, and I would hope they would get there by the end of the month. I will verify when they will get to the committee.

**Mr. Daniel Blaikie:** I'm glad to hear it.

Thank you very much.

**Mr. Doug Forsyth:** They are on their way.

**Mr. Daniel Blaikie:** I know you said there would be some differences between CETA and the transitional agreement that's currently being negotiated.

Does that include the removal of the foreign investment protection system in CETA, or would those provisions stand in the transitional agreement that you're contemplating between Canada and the U.K.?

**Mr. Doug Forsyth:** Those provisions will continue to apply. In fact, the United Kingdom has already approved them. They were one of the early countries in the European Union to approve the CETA treaty, so they are one of the ones that do that. That was an area, at least in the transitional agreement, where there would be agreement that we could replicate.

**Mr. Daniel Blaikie:** With respect to CETA, my understanding is that those provisions aren't yet in force because the ratification process hasn't happened for each country within the EU.

Am I to understand that in the transitional agreement between Canada and the United Kingdom we would see a CETA-type deal with ISDS provisions in effect for the first time?

**Mr. Doug Forsyth:** No. They will not be in effect because it does require that we wait for all of the EU members to ratify the treaty—

**Mr. Daniel Blaikie:** In the transitional agreement it will still be contingent upon ratification of all the EU partners, and those ISDS provisions between Canada and the U.K. will not come into effect until all of the partners under CETA have ratified them. Am I hearing you properly?

**Mr. Doug Forsyth:** That's correct, yes.

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



Before we go to round two, given the fact that we started 20 minutes late, I asked the clerk if logistically we could continue the meeting until 3:30 p.m., if that's the desire of the committee and if the witnesses can remain until that time.

Does the committee want to extend it until 3:30 p.m.? Is everyone in agreement with that, providing our witnesses can remain?

• (1355)

**Mrs. Tracy Gray:** Yes.

**An hon. member:** Yes.

**The Chair:** Is everyone okay with that? I'm not hearing any noes so I'm assuming it must be okay.

Are our witnesses able to stay that extra half an hour?

Mr. Forsyth?

**Mr. Doug Forsyth:** Yes, sure.

**The Chair:** Okay.

Thank you all very much.

**Ms. Rachel Bendayan (Outremont, Lib.):** Madam Chair, I believe we all have other engagements that we will cancel as a result of this.

If we started 15 or 20 minutes late, would it be possible to extend the meeting by that amount of time?

**The Chair:** Yes, 20 or 30 minutes.

If you would prefer 20 minutes, I think everybody is okay with that.

Let's try to keep the opportunities for everybody to get their questions in and the information that they require.

We'll go until 3:20 p.m., to accommodate Ms. Bendayan.

We will move to Mr. Lobb for five minutes.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thank you, Madam Chair.

I have a question to start. The question is in regard to a comment the Prime Minister made on November 11 to Reuters in an interview. He said, "One of the challenges is bandwidth. The U.K. hasn't had to negotiate trade deals in the past few decades so there is an issue of not really having the bandwidth within government to move forward on this."

I know those are his words. I know you folks aren't here to trip him up on his words. It sounds to me like you were at the negotiating table when the news came out of this WTO standing. You made the decision to back away from the table. This was in the best interests of the country, the producers and everybody else that you represent.

To me it seems that there's no bandwidth issue based on the fact that they've negotiated all of these other deals this year. They were able to do a deal with Chile and other countries.

I know you don't want to get into trouble here, so I'm going to ask you to answer any way you can.

In regard to bandwidth, is it your observation that there are any bandwidth issues with the United Kingdom?

**Mr. Doug Forsyth:** Thank you for the question, Madam Chair.

I think it is fair to say that during our negotiations with the United Kingdom, early on it took them some time to resource all of their negotiations, and they have been quite ambitious with their negotiating agenda.

I think it's fair to say that it took them a while to become resourced properly and then to go through their prioritization exercise to determine exactly what their top priorities were. It is thus a fair statement that there were times when they experienced some bandwidth problems. That's probably normal.

As you well noted, one of the questioners noted that they had an ambitious agenda, with 40-some continuity agreements that they were trying to negotiate. They managed to finalize a number of them. My understanding is they're still working at another handful or so, and then they have—

**Mr. Ben Lobb:** My time is tight.

You mentioned priorities, and it's ironic that this was the second question I had written down.

This is not a reflection on you folks here, but I wonder how it can be that the priority was to do a deal with Chile, with a microscopic GDP compared with ours, yet we're saying it was done on a priority basis for the U.K.

How can that be? It's not a critique of you folks, but how can it be that Chile had a higher priority than we had—or are we just missing something?

**Mr. Doug Forsyth:** Thank you for the question.

I can't speak to how the United Kingdom prioritized its negotiating agenda. It could be the case that they wanted to close some deals which from their perspective were easier than others.

The CETA is a complex and very comprehensive agreement; it takes time to negotiate. I think they were taking some time to develop expertise along the way and then to get the resources in place to do it.

Again, from their perspective they were looking, I think, at... Their number one market is with the EU, and I think that's where they devoted most of their resources.

• (1400)

**Mr. Ben Lobb:** Okay. Because I am running out of time, I'll ask something I asked the Canadian Chamber and the Business Council of Canada about at our last meeting. I asked them about consultation. Basically, their response to me was, "We send them emails and they respond by email."

I understand those are business associations or organizations, but if that's how their consultations are, I'm wondering.... Because I'm from a rural riding, I'm interested in how the agricultural consultations went. Did they ask you, or was it truly back and forth? What were the asks? What is dairy asking for? What is beef asking? What is pork asking? What are the beans asking? What is corn asking?

Can you give us some insight on what they're looking at, if we're having true consultation with the ag sector?

**Mr. Doug Forsyth:** Madam Chair, we speak regularly with all of the sectors that have an interest, and agriculture is obviously an important sector for us, both exporters, on the offensive side and on the defensive side.

We have regular channels of communication with all groups. We meet regularly with them. We certainly exchange emails. We brief them regularly, whether it's to their board of directors or as a group, and we give them updates on....

We have a regular meeting with CAFTA, the ag exporting group. We speak regularly with the dairy farmers and processors, the grains folks—all of them. Honestly, I have an open phone line to speak with them, and they call me to let me know their—

**Mr. Ben Lobb:** I have one last question.

**The Chair:** I'm sorry, Mr. Lobb.

**Mr. Ben Lobb:** Am I out of time again?

**The Chair:** Yes. I'm sorry, Mr. Lobb.

We'll move to Ms. Bendayan, please.

**Ms. Rachel Bendayan:** Thank you, Madam Chair. Thank you to all of our panellists.

Mr. Forsyth, I'll pick up on a couple of points that have been raised over the course of the meeting so far.

One of them relates to this being the eleventh hour. Mr. Forsyth, I'm sure that in your experience, most trade negotiations conclude at the eleventh hour. Often parties leave the meat of their negotiations to the end, and that is not unusual, I am sure. Perhaps you could comment on that.

As well, it is my understanding—and perhaps you can clarify it—that the objective of our negotiators and of your team is to conclude the best possible agreement for Canada, in Canada's national interest, and not an agreement as quickly as possible. Is that correct?

**Mr. Doug Forsyth:** Madam Chair, I think that is absolutely the case. All of our negotiators, whether we're negotiating with the United Kingdom or any other country, are absolutely trying to get the best deal for Canadian producers, exporters and businesses. Frankly, you're absolutely right. Many negotiations do come down to the deadline, the last minute. There are always difficult issues that are left to the end because they're difficult issues. The easy

ones are easy to get through and don't take quite as much time. Usually it ends up being key sectors of interest to either party that are left to the very end. In this case, it's no different. Some of the negotiations that we have had are very much around key sectors of export interest for the U.K. and key sectors of export interest for us.

It's no secret that our exporters, in reference to the previous question, of beef, pork and grains see the European marketplace, but specifically the United Kingdom, as key export opportunities for them. The United Kingdom has been very clear about wanting to export more cheese to Canada, so I think those are, when we get down to it, how those products enter our market and how our exports enter their market. They are very much top of mind for us as a negotiating team.

**Ms. Rachel Bendayan:** Thank you, and thank you for defending the interests of our agricultural sector and our dairy sector.

With respect to the transitional nature of the agreement, previously a colleague and you exchanged a little bit on the possibility of a sunset clause. Personally, from my point of view, I believe a sunset clause would put us in a difficult situation, given that we don't know how long it will take to negotiate a fulsome, comprehensive trade agreement with the United Kingdom.

Do you believe that you will be negotiating a clause specifying in the transitional agreement when negotiations on a comprehensive trade agreement will begin, which might alleviate some of the concerns of my colleague?

• (1405)

**Mr. Doug Forsyth:** I think so. This is a unique negotiation, I must say. We have not had one like this ever, and we have been at this more than a few years, where we're looking at trying to replicate something that is already in place, but it's not the greatest. We're trying to replicate something that's applicable for 28 countries and make it bilateral. It's not a simple process at all, but that's kind of the only option we have available to us in order to make sure that we can mitigate the potential damages to businesses.

We really wanted to take that and have it in place, then look to the future. I think we'd want it in place for too long, no sunset clause, but certainly there is, as I said earlier, a keen interest from both parties to make sure that we have a bilateral agreement in a timely manner. That's why we and ministers have said that we would launch within a year and then look to conclude as soon as possible. I don't think we want to drag this out beyond a couple of years.

**Ms. Rachel Bendayan:** Thank you, and perhaps—

**The Chair:** You have one minute remaining.

**Ms. Rachel Bendayan:** I'll ask a quick question, then.

You indicated earlier, Mr. Forsyth, that a Gazette notice was issued. I believe that was at the beginning of negotiations. Just for the record, can you indicate when the Gazette notice was issued?

**Mr. Doug Forsyth:** It was issued in July 2018.

**Ms. Rachel Bendayan:** Thank you very much.

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

We go to Mr. Savard-Tremblay for two and a half minutes.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair.

I am going to read from an FAQ document we received last week. Here is one of the questions:

Will Canada make concessions for supply management in future trade talks?

The answer reads as follows:

Officials will continue to defend the supply management system, in accordance with the commitment made by the Prime Minister and the Minister of Agriculture not to concede any additional market access for the sector in future trade agreements.

As you know, that is a promise we have heard ad nauseam, but it has still been broken time and time again. We ended up finding out that, in the course of negotiating other trade deals, the government had allowed the supply management system to be undermined and given up additional market access. Dairy and poultry farmers, just to name a few, suffered the consequences.

Do we now have an ironclad commitment, one that spells out—in no uncertain terms—that cracks in the supply management system will not be tolerated as far as this agreement is concerned?

[English]

**Mr. Doug Forsyth:** Thank you for the question, Madam Chair.

My mandate—my marching orders—from the minister and from the Prime Minister have been very clear: that there would be no increase in market access for supply-managed products coming into Canada. We have been very clear at the negotiating table that this was the case.

I think that, yes, in the recent past, there have been some increases in cheese and poultry exports to Canada as a result of the larger-scale negotiations, but just as a reminder, in the CETA negotiations, poultry was not involved. There was an increase of cheese exports into Canada, but again, we have been very clear with the United Kingdom throughout the negotiating process and again at my level,

at Steve Verheul's level, at the minister's level and at the prime ministerial level that there would be no increase in market access for supply-managed products into Canada in this agreement.

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

We will move to Mr. Blaikie.

**Mr. Daniel Blaikie:** Thank you very much.

When you say there will be no increase in market access for foreign dairy, does that also include not reducing the tariff rate in the event that a country exceeds its TRQ? In other words, does that include ensuring that the tariff protections that currently exist wouldn't be reduced or eliminated for countries that exceed what's allowed under the current rules?

• (1410)

**Mr. Doug Forsyth:** That's correct. If I understand your question correctly, then you do have the correct understanding of it, to put it that way.

**Mr. Daniel Blaikie:** Thank you very much.

Could you confirm something for the committee? We're talking about a deal that is meant to replace what's in place by December 31. The House is set to rise on December 11. That doesn't leave much in way of a timeline for Parliament to be able to pass enacting legislation. Is it contemplated that we wouldn't need enacting legislation for this transitional agreement?

**Mr. Doug Forsyth:** Thank you for the question.

You are correct. We would need legislation for the agreement, and there is not a whole lot of time.

**Mr. Daniel Blaikie:** If your department were presented with a trade agreement of the size and scope that you're contemplating between Canada and the U.K. and you were told to analyze it and make the decision about it within a couple of weeks, would you say that would be an adequate time frame for your department?

**Mr. Doug Forsyth:** I would say that we have the expertise and the resources at our disposal to make sure that it is analyzed properly and be ready to move forward on that basis.

**Mr. Daniel Blaikie:** If it were a group of people without the expertise—

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

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

**Mr. Ziad Abouttaif (Edmonton Manning, CPC):** Thank you.

Mr. Forsyth, you said that this is a replica agreement of CETA, but it is not an exact replica. Can you specify where the “not exact” is and in which areas, which industries and which sectors? Also, is it on our side or on both sides, ours and the U.K.'s?

**Mr. Doug Forsyth:** Thank you for the question.

It does have a lot of similarities to the CETA, and then there are some differences.

When I speak about where the areas of similarities are, I'm speaking very much about how it looks, the chapters, etc. I'll give you an example. Issues that can be replicated easily from the CETA include some of the institutional chapters, definitions, transparency exceptions, trade remedies, customs and trade facilitation and mutual recognition of professional qualifications, etc.

Areas that would require some minor technical changes from the CETA would include sanitary and phytosanitary measures, technical barriers to trade, government procurement and financial services.

The areas that require substantive discussion to bilateralize the outcomes would include market access for goods, rules of origin and origin procedures and investments.

**Mr. Ziad Aboultaif:** When did you start negotiating?

**Mr. Doug Forsyth:** We started negotiations officially, as I said in my remarks.... The Prime Minister indicated in September 2017 that we should do our best to ensure a seamless transition. We launched the Canada Gazette notice in 2018, and we started negotiations shortly thereafter.

**Mr. Ziad Aboultaif:** After all the preparations that we've made so far since the beginning of negotiations, it looks like you're saying it's going to take another year, maximum. That's your target within 2021 in order to get the comprehensive agreement. Is that correct?

**Mr. Doug Forsyth:** Madam Chair, in order to launch the negotiations. That's when we will officially launch the bilateral negotiations. I think we would plan to begin the consultation with stakeholders sometime in the first half of next year, move forward with seeking a mandate in the latter half of next year and then sit down at the table with the U.K. shortly thereafter.

**Mr. Ziad Aboultaif:** Do you believe that we are ready on this side and that you have all the mandates to do that and achieve that within the time frames that are targeted?

**Mr. Doug Forsyth:** That's a good question. I think my own assessment is that, yes, I think the time frame is reasonable. We're anticipating some keen interest from stakeholders as we launch the consultation process, and I think there is a strong interest, as I said, on our side and on the U.K. side to get things done as quickly as possible. I think it's a reasonable timetable, yes.

• (1415)

**Mr. Ziad Aboultaif:** Does it concern you that the Prime Minister is talking about the bandwidth on the U.K. side? Basically it's a negative signal when we're trying to put together an agreement with a partner such as the United Kingdom. Does it concern you that it's going to delay the whole process or the time frame that you're looking for?

**Mr. Doug Forsyth:** I don't think so. Having sat across from the U.K. for the last two years, I think they are getting more and more experienced. I think that will certainly help our bilateral negotia-

tions once we get them launched. No, I'm not that worried about his remarks about bandwidth. No.

**Mr. Ziad Aboultaif:** How often do you go back and report to the cabinet on your progress on this?

**Mr. Doug Forsyth:** We will get our mandate from cabinet. I presume we'll get one, as I said, in the latter half of next year. That will provide us with the scope as negotiators to get a deal in place.

If there are issues that come up during the negotiations that are outside of our mandate or that require further discussion with cabinet, then we would bring an item forward for them to discuss, and then if it's all within the mandate, once we can conclude those negotiations we would bring forward a package of recommendations to ministers.

**Mr. Ziad Aboultaif:** Based on your experience, under normal circumstances would you wait six months before you get any signal or mandate from cabinet?

**Mr. Doug Forsyth:** We would have to wait, yes, for a mandate from cabinet before we launched those negotiations. Absolutely, yes.

**Mr. Ziad Aboultaif:** You're talking six months. Is that the indication you got from the government or from cabinet, or is that what you're anticipating?

**Mr. Doug Forsyth:** No, we haven't heard from the government or whatever. It's just the timetable we have internally about when we have a reasonable expectation of being able to launch the consultations, process the consultations and then get a mandate from cabinet.

**Mr. Ziad Aboultaif:** What triggered those—

**The Chair:** Thank you very much, Mr. Aboultaif. Sorry, but your time is up.

Mr. Arya, please.

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

I think the witness mentioned something about the implications of the transitional agreement depending on CETA being ratified by all the member states.

Would you kindly elaborate?

**Mr. Doug Forsyth:** Madam Chair, I think the reference was around an investor-state dispute settlement and ratification of the CETA by all EU members. The investor-state dispute settlement provisions under CETA will not come into place until all EU parties have ratified it, and all have not finished that process yet.

**Mr. Chandra Arya:** Okay.

You mentioned that negotiating this transitional agreement has been unique. What are the challenges you've faced, or are still facing, in negotiating this, sort of, fast-tracked deal?

**Mr. Doug Forsyth:** Yes, it definitely has been unique. Usually we start from the ground up and we build up. We have more than a few years of negotiating experience under our belt. We have a certain way of doing things.

In this instance, we started with the CETA. As I said in one of my earlier answers, we started the CETA negotiations about 10 years ago. They took seven years to complete, and they've been in place for three years now. Over that time period, we've built on some of the provisions in those negotiations. You'll see the results of those in the CPTPP and in the CUSMA, the recently negotiated NAFTA 2.0.

Those are some of the areas, when we look forward to the bilateral agreement, where we would see some scope for further elaboration. That just wasn't possible during the negotiations with the U.K., because they were very much part of the EU when we launched the negotiations so they had to do a CETA replication.

We were a little bit constrained, in terms of what we would like to do. That's why I think we're all looking forward to the new bilateral negotiations.

**Mr. Chandra Arya:** You mentioned that in the transitional agreement on CETA there are, of course, quite a few similarities, but you also mentioned that there are significant differences with respect to market access for goods and the rules of origin.

• (1420)

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Madam Chair, I have a point of order. Mr. Arya's comment wasn't interpreted.

[English]

**Mr. Chandra Arya:** Okay, I will repeat it, this time slowly.

You mentioned that the bulk of the transitional agreement on CETA is similar. However, you also mentioned that there are some small differences—or big; I don't know—with regard to market access for goods and the rules on origin. Would you kindly elaborate?

**Mr. Doug Forsyth:** On the market access differences, the key areas of difference would be in the tariff rate quotas.

We negotiated amounts for the EU. The EU had 28 members at the time. We would not expect that we would get that amount of a TRQ in one single country.

Then it really comes down to what would be an applicable amount in a single country, like the U.K., and how that calculation would come about. It's very much part and parcel of negotiations.

Similarly for the rules of origin, the thing about those is the origin quotas, and those are products that don't qualify for tariff treatment. We negotiated a certain amount that could enter the European Union, and then it's just determining the amount for the United Kingdom respectively.

**Mr. Chandra Arya:** You mentioned that you have sat across from your U.K. counterparts for the last two years. Was that for CETA, or for this, or for something else?

**Mr. Doug Forsyth:** That was just for this. In fact, when we were negotiating CETA, the United Kingdom per se was not at the table. It was an EU member state at that point, and the EU itself does its international trade negotiations for the member states.

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

Mr. Hoback, go ahead, please, for five minutes.

**Mr. Randy Hoback:** Thank you, witnesses.

I just want to go back to the timelines here. You said that you looked at the zero tariffs, when those came out in 2019. You did a notice at 2018. When you saw the zero tariffs, I'm wondering why you wouldn't, instead of walking away, just have said, "U.K., we like these zero tariffs. Let's lock them in. Let's do the deal based on what's here today. Let's get this done and signed up." Why wouldn't we have gone that route?

**Mr. Doug Forsyth:** We certainly had that discussion with them at the negotiating table, around what zero tariffs would look like.

One of the challenges, when they released the MFN tariff and announced that they would make it MFN tariff-free is that they would do that for everybody. Now you're giving our American competitors and our Chinese competitors also zero tariff. They would want something in return from our side.

It wasn't clear why we would lock in zero tariffs for them in return when they would have access to our market and we would not have preferential market access into theirs.

**Mr. Randy Hoback:** I don't get it. You could have secured market access for Canadian companies at 0%. That would have made our side fairly easy to negotiate.

Basically, the other countries didn't walk away. They kept talking. So obviously, the EU must have been indicating at that time that this was just temporary to keep their consumers happy while Brexit was ongoing, knowing full well that somewhere down the road these tariff numbers were going to change.

Why did we leave the table? Why wouldn't we lock that in, and actually say that this was a good deal for Canadian exporters? Why wouldn't we just finalize it based on those numbers? That was a good starting point. Now you're based on a starting point that they've created.

There's another question that I have. How receptive were they to Canada at the start? Weren't we in the top four of their priority to get done? How receptive were they after we pulled out and then tried to get back in?

**Mr. Doug Forsyth:** It's fair to say that we've always been high on their priority list. How high were we? I am not sure.

**Mr. Randy Hoback:** Do you think that changed when you pulled out?

**Mr. Doug Forsyth:** I don't think so. We weren't the only ones that saw what they were doing.

**Mr. Randy Hoback:** There are other countries that didn't pull out, that now have actual signed deals that are secure and concrete.

I've been told by my contacts in the U.K. that they would love to have done a deal with Canada from the start, because that would have meant a lot to them, but we walked away and they could never figure out why. Weren't there political reasons for walking away? You can't just say it was a bureaucratic reason.

• (1425)

**Mr. Doug Forsyth:** I think it was not in our interest to continue with them when they are going to offer—

**Mr. Randy Hoback:** What did you base that off of? You say it was not in our interest.

We had zero tariffs, why wouldn't we have locked it in? Why was that not in our best interest? If I am a wheat grower in Saskatchewan and I have zero tariffs going to the U.K., why would that not be in my interest?

**Mr. Doug Forsyth:** I think it's part of the negotiation. What are we going to pay for that? Were we willing to have zero tariffs on all of our Canadian imports in return to compete with Chinese and American companies who had 0% in the U.K. market?

**Mr. Randy Hoback:** I look at that and I say okay, they're offering 0% to everybody, so let's lock that in. Why do we have to give up anything? They have already given it to everybody else. We could have made that argument to any supplier. If we said that they're giving the same discount to everybody else, we want to lock it in for a longer period of time. In fact, that's what other countries have done and we haven't, so I'm very concerned.

Looking at the time it's coming back, you've missed your deadline. We cannot put this through the House of Commons in the time frame to have continuity to move forward into the new year unless we ram it through like we did the USMCA. How do we do that?

What kind of consideration did you have in developing your timelines with our British counterparts to say that if they wanted to actually have this to be active at the end of December, we need to get it into Parliament in October or November? I don't even think the House leaders have put any types of resources toward passing this type of legislation, much less the Senate.

What part of that came into your equation? Were the minister's and House leaders' offices involved in helping you decide these deadlines?

**Mr. Doug Forsyth:** When we re-engaged with the United Kingdom in August.... After the minister spoke, I think it was, we had

the timeline square in our view and we were negotiating toward that.

**Mr. Randy Hoback:** What was that timeline?

**Mr. Doug Forsyth:** We clearly had December 31 in our sight.

**Mr. Randy Hoback:** The minister's office is telling you and me that Parliament doesn't matter, because if you're saying that December 31 is your deadline, you're basically saying that we're somehow going to pass this before December 31 without seeing it, without our stakeholders having a chance to talk about it and without any type of oversight or review. That isn't going to happen. That's what I'm saying.

You've missed your deadline. I don't see how this is going to be done by December 31, unless the Liberals are going to pull something out of their hats, and unless it doesn't need parliamentary approval.

There was some talk earlier about a continuity agreement. Is that dead, or is that something that's still percolating in the background?

**Mr. Doug Forsyth:** I was going to say that the transitional agreement and the continuity agreement are one and the same. We are talking about the same thing.

**The Chair:** Thank you.

We'll move to Mr. Sarai for five minutes.

**Mr. Randeep Sarai (Surrey Centre, Lib.):** Thank you, Madam Chair.

To give Mr. Forsyth a break, I would like Mr. Verheul a question.

What industries provide the biggest opportunity for diversification in order to increase our exports to the U.K.?

**Mr. Steve Verheul (Chief Negotiator and Assistant Deputy Minister, Trade Policy and Negotiations, Department of Foreign Affairs, Trade and Development):** In terms of the best opportunities, you might go back to Mr. Forsyth to answer that question. He's most familiar with that, unfortunately, although we have a representative from Agriculture and Agri-Food Canada as well who can speak to the specifics around the agriculture sector.

**Mr. Aaron Fowler (Chief Agriculture Negotiator and Director General, Trade Agreements and Negotiations, Department of Agriculture and Agri-Food):** Thank you, Steve.

Madam Chair, I'll take a run at that question.

We would be of the view that there are extensive opportunities available for agricultural exporters in Canada's agriculture, food, fish and seafood sector in the United Kingdom market, both as a result of maintaining continuity in terms of market access via a transitional arrangement, and then over the longer terms with respect to what we would obtain, hopefully, in a permanent FTA.

The United Kingdom is Canada's eleventh largest destination market for agriculture, food, and fish and seafood exports globally. We've exported a little over \$550 million to that marketplace over the last couple of years. As Mr. Forsyth previously mentioned, it's one that is particularly attractive to the grain sector. It's one that our red meat sector has identified as a key growth market for them in the European space. They have significant interest in that market, as do a wide range of other primary agricultural producers, commodity groups and value-added food processing industries, that they have communicated to us.

I wouldn't know where to rank it against non-agricultural interests, but I do see the U.K. market as one of significant opportunity for agriculture.

• (1430)

**Mr. Randeep Sarai:** Thank you.

The U.S. is one of Canada's biggest competitors in trade with the U.K. With the new U.S. administration coming in, might we see an increase in interest in their market? If so, how could we mitigate any negative consequences towards Canadian firms?

I'll let anyone of you answer that.

**Ms. Janice Charette (High Commissioner for Canada in the United Kingdom of Great Britain and Northern Ireland):** Madam Chair, perhaps I could chip in on this.

It's Janet Charette. I'm the high commissioner for Canada here in the United Kingdom.

**The Chair:** Welcome.

**Ms. Janice Charette:** It's a pleasure to be with you this afternoon.

From our perspective in London, certainly we are seeing here in the United Kingdom that it is very interested in exploring the opportunity for an independent trade policy by which they will have more flexibility and more control over their trade policy after they have left the European Union. Of course, they're in a transition period now. As of January 1, they will be fully out of the European Union, out of the transition period.

Therefore, as Mr. Forsyth was saying, they have launched negotiations. Obviously they have the negotiations with the EU as a priority, the continuity agreements or these transitional agreements with parties that already have an agreement with the European Union, but they have identified the United States, Australia and New Zealand as really priority targets for bilateral trade negotiations.

Having been through the Canada-U.S.-Mexico agreement, we know, and Mr. Verheul knows better than all of us, the challenges of negotiating with such a significant trade partner. Also, the political events in the United States will also have an impact on the timing of negotiations.

Our objective here in the U.K. is to support Canadian businesses, Canadian exporters, to pursue whatever market opportunities they choose. We have a trade commissioner service. My senior trade commissioner, Nathalie Dubé, is also with us this afternoon and can talk about some of those services.

Really, I think the objective is to make sure we have the right framework in place. That's what a continuity or a transitional trade agreement will provide, the continuity of the benefits that we have through the CETA, and then really to be able to promote the opportunity of the U.K. as a business destination and make sure that we're supporting the development of those business relationships and really being ahead of the game. That's really our strategy here in terms of trying to make sure that we have solidified our advantages in this marketplace.

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

We'll go now to Mr. Savard-Tremblay for two and a half minutes.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair.

If you don't mind, I am going to read another excerpt from the briefing package we received last week.

Canada and the U.K. are replicating the provisions of the CETA on a bilateral basis in a transitional trade agreement. Many areas can be easily replicated or require only minor technical changes. However, in certain areas, for example market access outcomes, discussions are required to establish appropriate outcomes on a bilateral basis.

In a nutshell, it says that substantive discussions will be necessary in areas such as market access. What does that mean? Can you clarify that for us?

[*English*]

**The Chair:** Whoever would like to answer that can.

**Mr. Doug Forsyth:** I could take a shot, Madam Chair.

I'm not clear what the reference is to, but nevertheless, I think the earlier part of the question is perhaps more pertinent. I would just say that towards the end of negotiations is always difficult. A number of issues that needed to be determined were still in play in the last week or so. Part of it was around market access writ large, but specifically how we administer our tariff rate quotas and how the United Kingdom would administer theirs. Again, I think I mentioned in my remarks that towards the end of a negotiation these are the more difficult aspects that get decided last and the ones where each country has the strongest interest. I think that's certainly the case here with the United Kingdom, and that's why those issues were left to the end.

• (1435)

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

We'll move to Mr. Blaikie.

**Mr. Daniel Blaikie:** Thank you.

I take it from Canada's decision to walk away when the U.K. announced that there would be a no-tariff position applied to other nations that Canada was surprised by that announcement.

Given that we've already seen that the U.K. can be surprising in trade negotiations as a relatively new entrant on the scene, I'm wondering what leverage Canada would have if the transitional agreement doesn't have any kind of sunset clause in it and the U.K. decides that it is satisfied with the terms and conditions in the transitional agreement. How would Canada get them back to the table if they have a change of heart?

**Mr. Doug Forsyth:** Madam Chair, there are aspects of the agreement that do have...I wouldn't call them "sunset clauses", but they will more or less compel the United Kingdom to have a strong interest in wanting to move forward and then finalize a new bilateral agreement with Canada. I'm not too concerned about the transitional agreement stretching on forever.

**Mr. Daniel Blaikie:** I guess as parliamentarians we can't evaluate that because we've yet to see the agreement and we've yet to see the implementing legislation. I suppose they'll be very quick studies if we are to conclude something before December 31. I share Mr. Hoback's skepticism about the possibility of that.

You have also said quite clearly that the ISDS provisions would be contingent upon ratification by all EU members. Are there any other aspects of the deal where the implementation of this transitional agreement would depend upon the approval or ratification of EU member states?

**Mr. Doug Forsyth:** No.

**Mr. Daniel Blaikie:** Thank you.

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

We'll move to Ms. Gray for five minutes.

**Mrs. Tracy Gray:** Thank you, Madam Chair.

It's obvious that we have questions that the officials aren't quite able to answer for us today. We've heard that direction has been given by the minister and that this has to come to Parliament, so it's really appropriate to have the minister here at committee so we can ask some questions. I know that when the minister was here a few weeks ago, she was very receptive about coming back to committee, which was really great.

Therefore, I move:

That, pursuant to Standing Order 108(2), that the committee invite the Minister of Small Business, Export Promotion, and International Trade to appear before the Committee at any time that accommodates her schedule, before December 4, 2020, for a meeting of 2 hours on the subject of a potential transitional trade agreement between Canada and the United Kingdom.

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

Is there debate on the motion that Ms. Gray has put forward?

**Ms. Rachel Bendayan:** Yes, Madam Chair.

**The Chair:** Okay, Mr. Blaikie and then Ms. Bendayan.

**Mr. Daniel Blaikie:** Thank you, Madam Chair.

I want to express my support for the motion. One of the reasons is that I think—and it's been the subject of some conversation already today—that the parliamentary timelines with respect to a deal are very real constraints. I appreciate the work of public servants but I also appreciate that they're not in a position to speak to House business in a way that a minister of the Crown would be.

I think it is important for the committee to try to understand exactly how the government imagines implementing legislation for such deals through the House in time for the deadline. I think the minister, among representatives of the department, would be uniquely qualified to speak to that because I don't think we can expect to get answers from departmental officials on that. That's one of the reasons I think it's important that we invite the minister to speak to this issue. It's one of the reasons I'll be supporting this motion.

● (1440)

**The Chair:** Ms. Bendayan.

**Ms. Rachel Bendayan:** Madam Chair, I agree on the importance of hearing directly from the minister. Of course my colleague Ms. Gray is right that the minister did indicate that she would be open to coming back any time this committee thought it would be necessary.

I just wanted to flag that, given that it is Friday afternoon at this point, if we take the exact wording of Ms. Gray's motion, we are looking at the minister coming in the next essentially nine days, if we look at the working days left in the calendar before December 4. I wonder if it would be possible to amend the deadline of December 4 so that we can ensure that we meet the wording of the motion. I would suggest that perhaps we include the week of December 7—

**The Chair:** Excuse me, Ms. Bendayan. You need to open your camera.

**Ms. Rachel Bendayan:** I seem to have technical problems. There is a message saying, "You cannot start your video, because the host has stopped it". Can the host unstop it?

**The Chair:** Just give us a second to see what's happening.

**Ms. Rachel Bendayan:** Thank you, host.

As I was saying, my proposal would be, therefore, to indicate by the latest December 11, just to give us the opportunity to hear from the minister before the House rises, obviously. I would just like to give us all the opportunity possibly to have the minister come, and providing nine days out with which to work with the minister's schedule might prove difficult.

**The Chair:** I'm not quite sure yet how this participants listing works, but I have Mr. Lobb down first.

**Mr. Ben Lobb:** Madam Chair, I don't think I had my hand up, so I'll pass it to the next person on the list.

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

Go ahead, Mr. Hoback.

**Mr. Randy Hoback:** Thank you.

I'm sorry, but we're running out of time, through you, Madam Chair, to Ms. Bendayan. We don't have time to wait.

I know the minister is busy. She has too many things in the air right now. There should be two people in her job. That's not a criticism of her; it's a reality. She's trying to balance small and medium enterprises and trade, and trade needs a full-time person right now and we don't have that.



I'm sorry that this could be inconvenient to your schedule, but if she thinks this is going to be passed by December 31, how do we do that unless she's in here next week?

The concern I really have is that she's given direction to these negotiators that December 31 is the deadline. She's basically saying that there is not going to be any parliamentary oversight. She's basically telling us here that either we're all coming back the week of Christmas to do this or I'm not sure.... If December 31 is their deadline, that means we're coming back when? I don't know, but there's been no consideration for parliamentary oversight or for anybody to scrutinize the document.

The other thing that's really of concern to me is that there have been no consultations. This agreement looks to me like it could be a full-fledged trade agreement. There is no sunset. There is no trigger mechanism to say that by 2022 this will be changed over to an actual agreement. There's no game plan laid out, other than that we're going to all be nice people and go to the table sometime next year. He may not even get a mandate letter next year to proceed with negotiations.

These types of questions the minister has to answer, and she has to answer them now.

**The Chair:** Mr. Blaikie and then Mr. Sheehan.

Go ahead, Mr. Blaikie.

**Mr. Daniel Blaikie:** Madam Chair, I just want to echo some of the concerns around timing. I have to say that, if it is really a priority of the government and of the minister to have some kind of implementing legislation passed by the end of December, I think the minister has to be able to make it a priority to appear swiftly before this committee. If the minister can't be bothered to come until December 11, then I don't think this is a priority of the government, in which case we're not going to see anything happen before the end of the year anyway.

I'm disinclined to change the timeline of the motion.

• (1445)

**The Chair:** Mr. Sheehan and then Mr. Hoback.

**Mr. Terry Sheehan:** Madam Chair, did you call my name?

**The Chair:** Yes, Mr. Sheehan. Whenever you want to speak, if you could use the "raise hand" feature, it makes it a little easier for the person operating this.

I have you, Mr. Sheehan. Please go ahead.

**Mr. Terry Sheehan:** No problem. I tried that little reaction button. You probably didn't see it, so I'll use my hand.

To the point that is being discussed today, I was just looking at the original motion we have before us that was adopted. It talks about a study of three meetings and that we're to get on and study this, with the transitional agreement with the United Kingdom being in place by December 31, 2020. I agree with my colleague the parliamentary secretary that the date should be flexible. I think it's in keeping with the original motion we all agreed to, with those timelines.

I would ask as well, perhaps, for a bit of smoothness, for up to two hours, whatever amount of time the minister can give here. I

know we're all busy parliamentarians and we're doing a lot of things. The minister is very busy, but she said she would like to come back as well, so I think having some flexibility in doing it.... The minister is going to try to get here to satisfy the original motion as well, but with an "up to two hours", and before this date.... If she can get here earlier, great, but if not, I still feel the original motion that was adopted by all of us would be satisfied with what the parliamentary secretary has suggested.

Thank you.

**The Chair:** We have Ms. Bendayan and then Ms. Gray.

**Ms. Rachel Bendayan:** To add to my previous comments, we on the government side are certainly optimistic about concluding an agreement. I hope the officials are able to clarify that today.

I think it would be most useful for the minister to come once the committee has a document before it. Therefore, I am sympathetic to Mr. Hoback and Mr. Blaikie, who are insisting that this be a priority of the government. It has been, I assure you. The negotiators have been working around the clock in order to get this done. I would hope we would make the most of the minister's appearance by being able to ask her questions on an eventual document.

Therefore, I do not think it's unreasonable at all for us to suggest to give us a few more days. If she can come sooner because we have a document sooner, then so be it, but given the motion is going to be binding on the committee, I would suggest we give ourselves as much flexibility as possible to make the most of the minister's appearance when she does come.

**The Chair:** Before I move to Ms. Gray, Ms. Bendayan, could you repeat how you are proposing to amend Ms. Gray's motion?

**Ms. Rachel Bendayan:** Certainly. My proposal was to make the motion reflective of the fact that the minister could appear before the committee on or before December 11. I had suggested that we include the week of December 7 as a possibility for her appearance, whenever of course we are scheduled to sit at committee during that week.

**The Chair:** Thank you.

Ms. Gray.

**Mrs. Tracy Gray:** Speaking to the amendment, we can certainly have the minister come back once we have a document, which could be a normal process considering this has to go to Parliament and then come back to the committee, so we could certainly have the minister back again.

I'm not prepared to vote for the amendment to this. We have to look at the timing of this. We have questions that aren't being answered because the officials here simply may not be privy to them, so we're looking at a very tight timeline.

I know we're all busy, as one other member has said, but I'm prepared to be here at five in the morning or at midnight. We are talking about one of the largest countries that we have trade with and this is incredibly important. We could have been doing this during the time period when the government prorogued Parliament. We are in this position because of a lot of time-wise decisions this government has made, so I think we need to work on this expeditiously.

• (1450)

**The Chair:** Mr. Blaikie.

**Mr. Daniel Blaikie:** Thank you very much.

I would echo the comment that the minister can come more than once. If this is a real priority of the government, I don't think that's a lot to ask, particularly given that it's not the committee that established these timelines. It's the government that has created the predicament we're in.

As I said initially at the outset of this debate, I think one of the important reasons to hear from the minister soon has to do with getting an idea of how the government intends the parliamentary process with respect to the implementing legislation to unfold. That's not something that as a conversation.... I don't want to spend the limited amount of time that we're going to have to be talking about the content of the deal, which we still haven't seen—we're a month away from the deadline—and the content of the enabling legislation, which we also haven't seen and would have to be passed on the same deadline. I don't want to be spending that time talking to the minister about parliamentary process.

I'd appreciate understanding from the government how it is that they intend to try to shepherd this through Parliament in the time remaining before we're all submerged in these two documents, in what sounds to me a lot like a comprehensive trade deal and the enabling legislation to go along with it.

I think the minister should come without delay, and I think that if this really is a priority of the government, when they finally share some of the details within this agreement, she can come again.

**The Chair:** Ms. Bendayan.

**Ms. Rachel Bendayan:** Madam Chair, I wanted to take the opportunity to respond to a couple of things that have been said.

I appreciate certainly that I might not be changing anybody's mind here, but the minister did appear approximately 10 days or two weeks ago. At that time, members were free to ask the minister any questions that they felt were appropriate, including with respect to the timing of these negotiations and the introduction or passage of any bill through the House of Commons. I don't believe that any of the colleagues who seem to be interested in that today asked those questions.

The other point that I thought would be useful to make was that on the suggestion that there were questions left unanswered, I believe that our negotiators answered almost every question. The only question that I believe they were unable to answer was with respect to the House schedule, and I would suggest that the House leader and the minister responsible for proceedings in the House would probably be the people to ask that question of, and not our negotiators.

**The Chair:** We'll vote on the amendment first.

**Ms. Rachel Bendayan:** I'm sorry?

You're muted, Madam Chair.

**The Chair:** Continue. I'm sorry.

**Ms. Rachel Bendayan:** Again, I would suggest that it would certainly be of interest to me to hear from the minister and that delaying her appearance by a few days would only increase the utility of the meeting. I would suggest that we will have a document before us at that time, hopefully, and that, therefore, spending two hours with the minister in order to ask the questions that we have both on the document and on the procedures through the House would be entirely possible and appropriate.

**The Chair:** Ms. Gray.

**Mrs. Tracy Gray:** Madam Chair, I'm wondering if we can call for the vote, both on the amendment and then on the motion.

**The Chair:** Okay.

**Mr. Daniel Blaikie:** Will that be a recorded vote, Madam Chair?

**The Chair:** Just one second. If you so desire, but I have Mr. Drouin on the list.

[*Translation*]

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Sorry, but I didn't hear the subamendment clearly. Could Ms. Bendayan please repeat it?

[*English*]

**The Chair:** Okay.

[*Translation*]

**Ms. Rachel Bendayan:** Yes, I would be happy to. I want to thank my fellow member, who is—

[*English*]

**The Chair:** You're on mute.

[*Translation*]

**Ms. Rachel Bendayan:** I don't think my microphone is on mute. Just a minute.

[*English*]

**The Chair:** Okay.

[*Translation*]

**Ms. Rachel Bendayan:** Can you hear me now?

[*English*]

**The Chair:** Barely.

[*Translation*]

**Ms. Rachel Bendayan:** It is not a subamendment, but an amendment to Ms. Gray's motion. Basically, the idea is to have the committee meet with the minister before December 11 instead of December 4, as indicated in the motion. That would give us an opportunity to speak with the minister the week of December 7.

• (1455)

[*English*]

**The Chair:** Mr. Fragiskatos.

**Mr. Randy Hoback:** I have a point of order, Madam Chair.

**The Chair:** One moment, Mr. Fragiskatos.

Mr. Hoback.

**Mr. Randy Hoback:** Madam Chair, you were in the process of calling the vote before Mr. Fragiskatos had the floor.

**The Chair:** No.

**Mr. Randy Hoback:** I believe you were, because we were just looking for clarification on the vote. We were going to vote, I assume.

If he wants to filibuster in the finance committee, I suggest he go back to the finance committee instead of doing it here.

**The Chair:** No. I'm sorry, Mr. Hoback, it's not a point of order.

It was Ms. Gray who asked that we call the vote. When you still have speakers on the speakers list, you have to complete the list. That's the direction I get from our very able-bodied clerk.

We'll continue with Mr. Fragiskatos.

Would you please complete your comments.

**Mr. Peter Fragiskatos:** Thank you very much, Madam Chair.

As for Mr. Hoback, I only wish him well. What can I say? I'm not trying to filibuster anything here. I'm simply bringing a perspective. I was saying that the committee needs to focus on the positive. We've heard much here today about the gains that are being made.

Ms. Bendayan's suggestion is one that I think is beyond reasonable, that is, to have a minister come in during the week of December 7.

What was originally proposed by the Conservative member whose name is not coming immediately to mind here—I apologize for that—was...I think December 4 was originally mentioned. Here, the week of December 7 is being mentioned.

The opposition is not wanting to bend at all on this. If the spirit of minority governments and parliaments is compromise, I would very humbly ask my opposition colleagues to entertain that compromise.

To address Mr. Blaikie's point—he has brought up the point of enabling legislation a number of times here—how can the committee itself meaningfully engage the minister without legislation already having been presented? It would be an exercise in optics on the part of the opposition, I think.

I'll leave it there, Madam Chair, in case someone else wishes to add something to the discussion.

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

I have no other speakers.

Oh, I'm sorry, Mr. Savard-Tremblay is still on the list.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** I would like clarification on one thing.

If Parliament does indeed rise on December 11, as scheduled, even if discussions are currently under way, we would need to make a clear decision as to whether we are going to insist on the meeting, since the deadline is one we have set. We need to be clear about that and not leave it hanging. In other words, we shouldn't say that, if Parliament rises, we are not going to hold the meeting. Is this even possible, by the way? I would like some clarification, please.

**Ms. Rachel Bendayan:** Madam Chair—  
[*English*]

**The Chair:** The House at the moment is scheduled to rise on December 11.

[*Translation*]

**Ms. Rachel Bendayan:** I can address that, Madam Chair.  
[*English*]

**The Chair:** Yes, Ms. Bendayan.

[*Translation*]

**Ms. Rachel Bendayan:** I could change the amendment to address the honourable member's concern or comment, if he'd like. The deadline could be changed to December 10. That way, we would have absolute certainty that Parliament would still be sitting and we could hold our meeting.

I am not sure whether that addresses the member's concern, but I would definitely be open to that change.

• (1500)

[*English*]

**The Chair:** Your amendment to Ms. Gray's motion would be that the minister appear before December 10.

Is that correct, Ms. Bendayan?

**Ms. Rachel Bendayan:** Yes. That is correct, Madam Chair.

I think that would respond to the concern raised by my colleague, and I certainly have no issue with that.

**The Chair:** It's that the minister appear “before December 10”.

Mr. Blaikie, would you like a recorded vote on this?

**Mr. Daniel Blaikie:** Yes, please.

**The Clerk of the Committee (Ms. Christine Lafrance):** This is on the amendment of Ms. Bendayan to replace “December 4” with “December 10”.

**Mr. Randy Hoback:** She's muted.

**The Chair:** Ms. Bendayan, I think you're muted.

**Ms. Rachel Bendayan:** I apologize.

**The Chair:** We're voting on your amendment.

(Amendment negated: nays 6; yeas 5)

**The Chair:** We will now vote on Ms. Gray's motion.

(Motion agreed to: yeas 0; nays 11)

All right, it's carried unanimously.

My apologies for the delay with the witnesses.

Do we still have our witnesses with us?

We'll go back to Ms. Gray for the four minutes remaining.

**Mrs. Tracy Gray:** Thank you very much, Madam Chair.

We had earlier testimony that Prime Minister Trudeau met with former prime minister Theresa May regarding discussions over a trade agreement back in 2017. I'm wondering when Prime Minister Trudeau met with Prime Minister Boris Johnson to discuss a trade agreement.

• (1505)

**The Chair:** Which one of our witnesses would like to answer that? Mr. Forsyth?

**Mr. Doug Forsyth:** I think I'll start and then I'm happy to turn to my colleague, the high commissioner in London, who might have some further information on that.

The prime ministers have met a number of times. I think most recently, last week, they had a telephone discussion. I'm not sure if you're looking for an entire list or if you're just looking for recent discussions.

Perhaps I could turn to the high commissioner for further elaboration.

**Ms. Janice Charette:** Madam Chair, I'm happy to elaborate on that.

As Mr. Forsyth was saying, Prime Minister Trudeau and Prime Minister Johnson have met in person on at least two occasions, to the best of my memory. One of them would have been in July of last year. That would have been July 2019. That would have been their first bilateral meeting after Mr. Johnson had taken over as the prime minister here in the United Kingdom. It took place in Biarritz, France, on the margins of the G7 meeting. At that point, they had a conversation about many topics and their relationship, including the trade agreement negotiations.

They've had a number of telephone conversations. The other in-person meeting they would have had would have been in December 2019, when Prime Minister Trudeau was here in London for a NATO leaders meeting. I think that was quite a brief conversation. I don't think they dealt in detail with trade matters at that point.

There have been periodic telephone conversations as well. In the readouts that the Prime Minister's Office has provided, you'll see there have been periodic references to the discussion around trade.

**Mrs. Tracy Gray:** Thank you very much.

When we pulled out of trade negotiations in 2019, what month would that have been?

**Mr. Doug Forsyth:** That was in March 2019.

**Mrs. Tracy Gray:** Thank you.

I know there were a couple of references to the Canada Gazette with regard to getting stakeholder engagement. I'm glad those were brought up actually, because what's listed in the Gazette from 2018 was the following:

The Government of Canada will continue to inform Canadians as it continues to actively engage the European Union and the United Kingdom in an effort to minimize disruptions from Brexit for Canadians.

This says it will continue to inform Canadians. What part of this shows businesses and Canadians that we're engaging with them? Where is the outreach call in the Gazette saying that you're doing outreach?

**Mr. Doug Forsyth:** There are other parts to the Gazette notice as well. There are calls for stakeholders to provide us with their input, if I'm not mistaken.

**Mrs. Tracy Gray:** Right.

**Mr. Doug Forsyth:** We have had active discussions. I speak regularly with interested stakeholders and provincial and territorial representatives, as do my colleagues at Agriculture and Agri-Food Canada. We have an active round table, if you will, of opportunities for people to engage with us.

As I said, our doors are always open for stakeholders.

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

We go now to Mr. Fragiskatos.

**Mr. Peter Fragiskatos:** Madam Chair, I'm going to yield my time to Ms. Bendayan.

**The Chair:** Ms. Bendayan.

**Ms. Rachel Bendayan:** Thank you, colleague.

Thank you, Madam Chair.

Picking up on the point regarding consultations, Mr. Forsyth, given that the transitional agreement is intended to be based on CETA, could you quickly walk us through the complications with the relevant stakeholders and the private sector here in Canada that were done in advance of CETA over, I believe it was—

• (1510)

**Mr. Doug Forsyth:** Actually, I think I might turn to our chief negotiator for those negotiations, Steve Verheul. He'd be better placed to answer that. It was a while ago, but he would have the best memory of that.

**Mr. Steve Verheul:** Thank you.

Our consultations with the stakeholders, provinces and territories and civil society for the CETA negotiations took place pretty much on a weekly basis. Certainly throughout the negotiations, in any negotiating round, our stakeholders were largely with us, either in the EU or in Canada. We met with them every evening during negotiating rounds.

The consultation process was very intensive and ongoing throughout the CETA negotiations until the end.

We also used that negotiation's consultation network when we conducted further negotiations, including the new NAFTA with the U.S. and Mexico in part, but also for the continuity agreement that Mr. Forsyth has negotiated as well.

**Ms. Rachel Bendayan:** Thank you, Mr. Verheul.

I'd like to come back to the decision that Ms. Gray was asking about earlier with regard to a pause in the negotiations. I believe it was March 2019. In your opinion as negotiators, was that a decision that was in the strategic interest of Canada? Do you feel it was an important one in order to ensure that we get the best agreement possible for Canadians?

**Mr. Doug Forsyth:** Yes. I think it was a.... We had been actively engaged at the table with the United Kingdom at that point and were getting close. It did come as quite a surprise. We had a thorough internal discussion on it. As I said, it did come as a surprise. The decision we took, after analysis, was very much that it was not in the interest of Canada and Canadian businesses and exporters for us to continue with the negotiations at that time.

**Ms. Rachel Bendayan:** In terms of the discussion we had amongst members not too long ago, without revealing any information that you're not allowed to say at this time, are you optimistic regarding the possibility of concluding an agreement before the deadline?

**Mr. Doug Forsyth:** I think it's fair to say that, yes, I am quite optimistic. We have been negotiating actively since August, and very intensively in the last few weeks, down to the final issues to be determined, and I'm quite confident that we will reach a final conclusion very shortly.

**Ms. Rachel Bendayan:** Thank you very much.

Perhaps I could ask about the current discussions with the agricultural sector that were referenced earlier. I wonder if at the moment our agriculture workers, our small business owners, our farmers and our industry representatives are in contact with you and are able to provide you with comments and feedback as necessary at this time.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Madam Chair, I have a point of order. There is no interpretation coming through.

**Ms. Rachel Bendayan:** I would be happy to ask the question in French.

[*English*]

**The Chair:** Can you [*Inaudible—Editor*]

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Ms. Bendayan, your volume is much lower this time around.

**Ms. Rachel Bendayan:** I will ask the question in French, in the hope that it will be interpreted into English.

My question is whether Canadian farmers have the opportunity to provide feedback to the negotiators right now.

• (1515)

[*English*]

**Mr. Doug Forsyth:** Yes, absolutely. Throughout the negotiating process all stakeholders, but agriculture stakeholders in particular, were able to provide their concerns and raise any issues with me as the chief negotiator. As I mentioned, my door and my phone line are always wide open for stakeholders. I would add that Agriculture and Agri-Food Canada has a robust consultation process with its stakeholders as well.

I'll turn to my colleague Mr. Fowler to see if he has anything he would like to add to that.

**Mr. Aaron Fowler:** Thank you, Mr. Forsyth.

We do have a robust suite of consultative tools that we use to engage with agriculture stakeholders in the context of all of our trade negotiations. For primary interaction we have the agricultural trade negotiations consultative group. We use that group to reach out to the cross-section of agricultural stakeholders in the country. We also engage closely with groups like the Canadian Federation of Agriculture, the Canadian Agri-Food Trade Alliance or CAFTA, individual industry associations and individual companies. We have done that consistently throughout the discussions with the United Kingdom on a potential transitional agreement. They are, I think, very engaged and up to speed on the nature of our discussions.

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

On for four minutes for the last speaker, we have Mr. Hoback.

**Mr. Randy Hoback:** Thank you, Chair.

Mr. Forsyth and Mr. Fowler, thank you for taking the stakeholders' calls.

I can remember being back at WTO days when I was with the wheat growers, and we would go to ministerial events during those negotiations where the ministers were sitting there listening to all the different stakeholders talk.

Have you had any of those events?

**Mr. Doug Forsyth:** Just to clarify that question, Madam Chair, are you referring to any stakeholder events that have included ministers?

**Mr. Randy Hoback:** Yes, like you did in WTO negotiations.

I can remember being at some of them with Mr. Verheul. He would be at the front of the stage and the minister would be sitting right next to him. We all had a chance to listen to each other's point of view in a meeting-type format.

Now, I understand we can't meet in person, but we can do it over Zoom. Have you had any of those?

**Mr. Doug Forsyth:** Fair enough. Thank you for the clarification. I think I understand the question better.

That was certainly a different time and a different scope, and I think for the consultations we've had.... As I said, both Mr. Fowler and I have had ongoing discussions with agriculture stakeholders. I would add that agricultural stakeholders have been very engaged with our minister as well, our previous minister.

**Mr. Randy Hoback:** Mr. Forsyth, I have heard that from other agriculture guys. My concern is the minister hasn't. My concern is that the political members haven't. It's the same concern I have with our looking at legislation. We haven't seen that all levels of government have been consulted. I'm glad you have been because you're right in the heart of it. I'm glad you have an open door. If you didn't have, there would have been no input into anything here, so I appreciate what you have done, but I have no proof here that the minister has, so I look forward to seeing the minister here next week to ask her that question.

The other question I have is in regard to press releases or articles that came out from Bloomberg, and I think Canadian Press said that we're just days away, and this article was days ago.

Where did that come from? Are we just days away, or how close is this thing? I think we have made our point very clear that timelines are ticking here. How does a leak happen like that when it doesn't come to Parliament first?

**Mr. Doug Forsyth:** I have seen the media reports, but the leaks did not come from the Canadian side, certainly, that I'm aware of. I'm not sure where they came from, but as I mentioned in one of my previous answers, I'm quite confident that we can reach conclusion very shortly.

• (1520)

**Mr. Randy Hoback:** When we look at the agreement itself, were there any discussions with the EU saying, "We're going to take your

TRQ and reduce it, and then take that amount and give it to the U.K.?"

**Mr. Doug Forsyth:** I think very early on in the discussions we did have those kinds of questions raised both by the U.K. and the EU. The EU was very clear that, with the U.K. leaving the European Union, they would no longer be entitled to any of the TRQs as a new member, and they would have to negotiate something with Canada.

**Mr. Randy Hoback:** Would they have access to the TRQ through their own agreement with the EU?

**Mr. Doug Forsyth:** They have access to the TRQ now because they are in the transition part of it, but once they are out, they will have no access to the TRQs.

**Mr. Randy Hoback:** They can't negotiate TRQs back in their agreement with the EU?

**Mr. Doug Forsyth:** No, not that I'm aware of.

**Mr. Randy Hoback:** Thanks.

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

Thank you, all.

Thank you to Mr. Forsyth and all the other witnesses today. We very much appreciate your staying for the extra 20 minutes.

Everything is done. I'm going to move adjournment.

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