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• (1530)

[English]

The Chair (Hon. Ahmed Hussen (York South—Weston—Etobicoke, Lib.)): Good afternoon, everyone. I call the meeting to order.

Welcome to meeting number 20 of the House of Commons Standing Committee on Foreign Affairs and International Development. Pursuant to the motion adopted by the committee on Tuesday, January 27, 2026, the committee is studying the subject matter of clauses 460 to 462 in division 27 of Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on November 4, 2025.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and can also attend remotely using the Zoom application.

I would now like to welcome our witnesses for the first hour. We have the Honourable Anita Anand, Minister of Foreign Affairs.

Welcome, Minister.

From the Department of Foreign Affairs, Trade and Development, we have Robert Brookfield, director general, sanctions and strategic export controls; Joya Donnelly, director general, northeast Asia bureau; Jason LaTorre, director general, North American bureau; and Stefanie McCollum, director general, Middle East bureau.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions.

I now invite Minister Anand to make an opening statement.

Welcome.

[Translation]

The Hon. Anita Anand (Minister of Foreign Affairs): Mr. Chair, members of the committee,

[English]

thank you so much for the opportunity to appear before you today regarding limited amendments to the Export and Import Permits Act as part of Bill C-15.

We have heard how fast global disruptions can move. Canada needs the tools to be able to act quickly. These two succinct amendments to the EIPA would give the government new tools to protect the economy and ensure that we are protected from supply chain shocks that could harm Canadian jobs, supply chains and access to

essential goods. Namely, they would grant the government the ability to act in cases of economic coercion.

I want to emphasize that these items would not create new controls. They wouldn't remove oversight or consultation. They would simply create a new statutory authority to develop controls in the future—a future that Canada will increasingly need in order to defend and protect our economic sovereignty.

Before providing context regarding Canada's new foreign policy approach, I will address two particular issues on which Canada is currently engaged.

First, Canada stands with the people of Iran as they exercise their right to protest against the brutality of the Iranian regime. Iran's brutal repression against its own people must end. Thousands of people have been injured or killed by the regime, including at least one Canadian. Canada listed the IRGC as a terrorist entity more than 18 months ago. Last week the European Union did the same. I can also tell you today that, in addition to the almost 500 sanctions we have imposed against entities and individuals, we are continuing to work on this important issue. In particular, I am working to impose additional sanctions against the Iranian entities and individuals for violations of international peace and security and human rights violations.

• (1535)

[Translation]

I would also like to talk about the situation in Haiti.

Canada condemns any action that would further destabilize Haiti and undermine the safety of the Haitian people.

I continue to call on all members of the transitional presidential council to respect the agreed end of their mandate, which is February 7, and the right of the Haitian people to free and fair elections.

I have measures ready to be implemented if the members of the transitional council do not respect their commitments and the rights of the Haitian people.

[English]

This is the moment when we must confront the world as it is, not the world as we wish it to be, and adapt our diplomacy and foreign policy accordingly. Our approach is guided by three pillars: first, building a strong and resilient domestic economy with the goal of doubling non-U.S. trade over the next decade; second, protecting Canadian sovereignty, including through strategic investments and partnerships in defence and security; and third, upholding our principles and our values, including international law and international humanitarian law. From Ukraine to Greenland to Iran and beyond, Canada stands for international law and international human rights.

These three objectives are not mutually exclusive. That is to say that none is more important than the other. We pursue them together. That is why our foreign policy is best described as principled pragmatism.

[Translation]

International engagement does not mean agreement on everything. It means a willingness to work together, even when there is disagreement.

Canada remains firmly committed to human rights, democracy, inclusion, including gender equality, and the rule of law.

These values guide how we choose to engage and the issues on which we do so.

[English]

This means rejecting the false binary that if we cannot agree on everything internationally, we cannot agree on anything. Engagement doesn't always mean agreement. We are not forced to choose between advancing our economic and security interests and upholding our values. This is principled pragmatism, and this is Canada's foreign policy in 2026.

I will end by saying that a strong domestic economy expands the list of things that Canada has. Indeed, these are things the world widely wants. It attracts investments, strengthens resilience and gives us leverage to have a strong domestic economy. Stronger at home means stronger abroad and the ability to resist economic coercion. It means we are better able to negotiate from a position of strength.

The amendments we are discussing today would add to Canada's robust tool kit, providing an extra layer of security. Prosperity, too, is a choice. It is built patiently and deliberately by societies that invest in resilience, openness and their place in the world. That is the choice Canada is making and one we will continue to make at home and abroad with partners around the world.

It is within this global context that our new government is putting forward the limited amendments to the Export and Import Permits Act. I look forward to responding to questions from members on these measures.

Thank you.

The Chair: Thank you very much, Minister, for your remarks.

I will now open the floor for questions, beginning with MP Ziad Aboultaif.

You have six minutes.

Ziad Aboultaif (Edmonton Manning, CPC): Thank you, Minister, for appearing with your team at the committee. Recognizing the protesters in Iran and the freedom of the Iranian people is the right thing to do. It's the least we can do as a country in support of their call for freedom and for finishing the dictatorship regime they've been experiencing for decades.

Minister, you said these new measures are not new controls, but you feel somehow that an economic security designation is needed for the export and import control list.

Why are those economic security measures needed, and how do you anticipate them being used?

• (1540)

[Translation]

The Hon. Anita Anand: Thank you for the question.

I would start by saying that these powers could help us respond to foreign acts that undermine security. It's another tool in our tool box to address international economic issues.

The bill does not immediately create new controls but gives the power to develop them in the future. The tools seek to protect jobs and supply chains or to respond to economic coercion, so it's another tool we can use to respond to external threats.

[English]

Ziad Aboultaif: Thank you, Minister.

You never answered my question. How do you anticipate the new measures being used?

Hon. Anita Anand: The work we are doing now is to provide protections in the future. These authorities would be used only if necessary and on a case-by-case basis. The tools we are proposing would enable monitoring, limiting, directing or collecting information on imports and exports. Any action would require a cost-benefit analysis, and we would be examining all risks before utilizing these tools.

I will say that global disruptions occur quickly, and Canada needs tools to be able to act just as quickly. These amendments would provide the government with tools to protect our economy from foreign actions and supply chain shocks that could harm Canadian jobs, supply chains and access to essential goods. It's responsible for us to be putting in place these measures.

We very much hope the opposition will support us in these measures.

Ziad Aboultaif: Minister, there must be something that happened which led you to come up with these provisions. Can you be specific about which industry you think most begs the question of why we need to come up with these measures?

Hon. Anita Anand: The key point I want to make in response to this question is that it would be imprudent to speculate on all the wide-ranging hypothetical possibilities that could be presented to us in the future in a rapidly shifting and dynamic global environment.

The work we are doing now is to lay the foundation in providing the government with tools should the need arise. We are always engaged in scenario planning, and this is a constant activity undertaken by my officials, including those here with us today.

It would be imprudent for me to speculate on particular hypotheticals, but this is very much about protecting our economic security. I know that my colleagues on both sides of the aisle in the House of Commons care about the future of our country, economic security and protecting supply chains.

Ziad Aboultaif: Minister, I'm not questioning the measure. You're talking about hypothetical scenarios, but there must be a fundamental reason we're doing this. Is there a specific industry? I would like to hear your answer to that. I think it would be beneficial. There has to be a logic behind such an improvement on the current system, if you call it an improvement. You're not calling it a new protocol.

It would be nice if you would share those fundamentals with us. It would be great for the committee to hear that.

• (1545)

Hon. Anita Anand: I would say, in answer to my honourable colleague's question, that all industries need to be protected in an uncertain global environment. We have seen the global trading system completely rewired, and therefore, we want the tools at our disposal to respond to the needs of all sectors of the economy should that need arise.

As I said, should the need arise, we will take a very careful risk-benefit analysis. We want to make sure we have the tools in our tool box to protect the domestic economy, to co-operate with other countries and to respond to systemic shocks, should they arise.

Ziad Aboultaif: Thank you.

The Chair: Thank you very much.

We next go to MP Mona Fortier.

You have six minutes.

[*Translation*]

The Hon. Mona Fortier (Ottawa—Vanier—Gloucester, Lib.): Thank you very much, Minister.

Thank you, Minister, for being with us today.

Clearly, the subject of this meeting is important to us, because the exercise we're doing today will allow us to move on to the next step in passing the budget that's before us. We also know very well that this budget will allow us to make further progress. We know

that this exercise is an examination of the more concrete clauses that the Standing Committee on Finance has asked us to review. That's the first exercise.

Secondly, I believe—you might be able to confirm this—that the measures had been introduced a little over a year ago in the fall economic statement. However, the instruments proposed died on the Order Paper. We know, then, that this is not the first time the government has looked at these tools and considered them as necessary instruments. In addition, we continue to have global disruptions that are evolving rapidly. As you said—I think it needs to be repeated—Canada must have these tools. They will allow us to act and to be more flexible so we can respond to situations more quickly.

As we know very well and are often told, there is a lot of bureaucracy. However, we now need to find tools that will help us to be more flexible. I believe that's what you're offering us today.

Can you tell us about these new powers?

Why are they necessary, in addition to the controls we have in place now under the Export and Import Permits Act?

Can you explain why we need these new powers?

The Hon. Anita Anand: Thank you very much for the question.

Firstly, this is not the first time we've considered such measures. That's very clear.

Secondly, Japan, Germany, the United States and the European Union, among other entities, have adopted economic security strategies to protect their interests against foreign threats. It is responsible to have measures like that to respond to systemic shocks and economic shocks. It's about building the supply chains our industries need throughout our domestic economy. That is clear.

In addition, the proposed amendments would expand existing powers to allow Canada to control certain imports and exports in response to actions taken abroad.

As I mentioned with respect to shocks, there may be situations and times when we haven't anticipated the shocks that may occur. What do we do then? We need to have in place the legal measures that allow us to act using the necessary means, which our allies have already decided to adopt.

That's why we're here. I hope the opposition will support us.

• (1550)

The Hon. Mona Fortier: I agree. We're seeking their support to keep moving forward. Thank you for that response.

You mentioned twice, in your opening remarks and in your last response, the issue of economic security.

Can you tell us what economic security means to the government?

The Hon. Anita Anand: It must be understood that this is a very difficult time for the global economy. We're seeing more demonstrations of unilateralism and protectionism. This suggests a very different world order than what we had before.

We need to be flexible with our tools, and we need multiple ways to respond to different situations. It's not just a matter of diplomacy or a single minister. It's about our government and our country. We need to work together to ensure that we implement the necessary measures.

The bill concerning our imports and exports will allow that. It's a very limited measure, but it's very important. Our domestic economy must be protected.

The Hon. Mona Fortier: Thank you for defining economic security. I think it's important for those following today's proceedings.

This is also important for us, so we can work on terms we can rally around. I think you've described the issue of economic security well.

Unfortunately, my speaking time is already up. I want to thank you again for being with us today and for the leadership you've provided.

You mentioned Haiti. This week is a turning point for Haiti. I hope that we'll be able to continue working very hard on Canada's position concerning Haiti.

The Hon. Anita Anand: Thank you very much.

[*English*]

The Chair: Thank you very much.

Next, we go to Mr. Brunelle-Duceppe.

[*Translation*]

Mr. Brunelle-Duceppe, you have the floor for six minutes.

Alexis Brunelle-Duceppe (Lac-Saint-Jean, BQ): Thank you very much, Mr. Chair.

Minister, I welcome you to the committee.

You spoke about human rights in your opening remarks. How do the clauses we're discussing today ensure a better balance between protecting Canada's economic interests and its responsibilities with respect to human rights and international security?

The Hon. Anita Anand: I'd like to start by reiterating that it's necessary to understand the three pillars of our foreign policy. There are not just one or two pillars. We must continue to uphold our principles and values, such as international law—

Alexis Brunelle-Duceppe: Excuse me, Minister.

The Hon. Anita Anand: —and, at the same time, to build the domestic economy.

Alexis Brunelle-Duceppe: I'm talking about the clauses.

The Hon. Anita Anand: Mr. Chair, it's important that I be able to finish my response.

Alexis Brunelle-Duceppe: Mr. Chair, if the minister doesn't answer the question directly, I can't let her finish.

I'm sorry, but I'm not talking about the pillars and the government's vision. I'm talking specifically about the clauses we're discussing, the reason we're here today.

How will those clauses impact supply chains with respect to forced labour?

The question is related to the clauses that amend the act.

The Hon. Anita Anand: The question is a bit different from the previous one, but I can answer it.

You're right, the measures are limited. This means that we need to implement the necessary measures to respond to economic shocks. These controls could be used to secure supply chains or to respond to economic coercion.

The need for domestic safeguards against economic threats is therefore clear. That is why there's a very limited, very isolated, but also very necessary provision. It's important to continue building our economy, and I hope everyone is on the same page.

• (1555)

Alexis Brunelle-Duceppe: In that case, I'd like to ask a very easy question that doesn't need a long answer.

From what I understand, these clauses have no impact on supply chains for products made using forced labour.

Is that correct?

The Hon. Anita Anand: As I said here last time, our government believes in human rights, in international law and in the rights of workers. That's obvious.

Alexis Brunelle-Duceppe: It's not a complicated question. Minister, since you're here before the committee, please answer the questions. I'm asking them politely, and they are specific.

I understand that the answer is no. These clauses have no impact on supply chains for goods produced using forced labour.

The agreement you recently reached with China covers tens of thousands of electric vehicles. This is documented. I can send you the studies. The world's largest steel and aluminum producers have been encouraged by the Chinese government to set up operations in the Xinjiang region, where the workforce is from the Uyghur minority, which is subjected to forced labour. Logically, there's forced labour in the supply chain for those vehicles. It's no coincidence that a vehicle costs \$35,000 or less, even including the transportation cost.

How do you respond to that?

Are we turning a blind eye as we let in these goods that you negotiated and that are produced by forced labour?

The Hon. Anita Anand: I want to be clear; forced labour is unacceptable.

It's wrong to say that it's a contract or an agreement. It's clearly only the resolution of certain points of friction in the bilateral relationship between the two countries. This is not a free trade agreement between the two countries, and Canada will always assert that forced labour is unacceptable.

Alexis Brunelle-Duceppe: It's unacceptable, but the supply chains contain components produced by forced labour. I'm not making up the figure of 49,000 Chinese electric vehicles.

I'll move on to another question. If China launches a military action against Taiwan tomorrow, will this agreement on Canadian canola and Chinese electric vehicles hold?

If it's too hypothetical, I'd remind you that, from the outset, it's you who has been using the word "hypothetical" and imagining hypothetical situations that could occur.

The Hon. Anita Anand: I'd like to highlight two points.

First, I've always said that public safety and human rights are important principles for our foreign policy.

Second, it was not a bilateral agreement. It was the resolution of certain tensions and points of friction in the bilateral relationship between the two countries.

As I said, we'll therefore continue to uphold the three pillars of our foreign policy—

Alexis Brunelle-Duceppe: The Chinese electric vehicles don't exist, then.

Is that it?

The Hon. Anita Anand: —and we'll continue to defend Canadian principles and values.

Thank you very much.

Alexis Brunelle-Duceppe: What we were sold doesn't exist, then. The agreement on canola is not a real agreement.

Do I understand correctly?

[*English*]

The Chair: Unfortunately, Mr. Brunelle-Duceppe, we're out of time.

We'll go to the next round of questions, starting with MP Kramp-Neuman.

You have five minutes, please.

Shelby Kramp-Neuman (Hastings—Lennox and Addington—Tyendinaga, CPC): Thank you, Chair, and thank you, Minister, for being here today.

I'd like to focus most of my questions on division 27 of Bill C-15. As you're aware, it's designed to protect Canada's economic sovereignty or economic security.

Recently, in front of the Senate foreign affairs and international trade committee, Ms. Galadza stated, "economic security' is a broad term. In this context, it includes Canada's ability to manage foreign threats and shocks while guiding economic activity such as imports and exports to support national security objectives and foster growth."

My first question is, are there any oversight mechanisms in place to assure...any concerns regarding potential overreach or misapplication of these new powers?

• (1600)

Hon. Anita Anand: This is a minor amendment to the Export and Import Permits Act. It's simply to ensure that the supply and distribution of the good in Canada or internationally are consistent with Canada's economic security interests. The power, if adopted, would be used only in limited circumstances and in circumstances after a risk-benefit analysis was undertaken upon careful and systematic consideration by my department.

I have my official here and he can speak to that.

Robert Brookfield (Director General, Sanctions and Strategic Export Controls, Department of Foreign Affairs, Trade and Development): Just to elaborate briefly on the process, the idea would be, if this amendment passes, that there would be an ability to add a regulation that would add a particular product, described either by a harmonious system code or some other method, and then it would be illegal to export or import that item without a permit. That permit could be granted automatically, for example, as is present in the case for softwood lumber, or it could be granted on certain conditions, such as further to an agreement with other countries or in order to support Canada's defence and support our own industries.

Shelby Kramp-Neuman: How would this new authority differ from the Governor in Council's existing authorities under the act?

Hon. Anita Anand: This particular limited provision makes it explicit that there is an ability, in cases where the government needs to address economic security, to act. It's a new legal distinction. We believe that in this time of economic stress in the global economy, it is necessary to provide government with this additional tool.

Shelby Kramp-Neuman: Does the government have a hard definition of foreign threats and shocks?

The reason I ask is I'm curious if the Canadian government considers the Chinese government's documented interference in previous Canadian elections to be a foreign threat.

Hon. Anita Anand: The work of Madam Justice Hogue in the Hogue inquiry was extremely important for analyzing different types of concerns relating to foreign interference. We are responding to the recommendations in that report.

In every engagement that I have internationally, I speak of the importance of the public safety and security of the domestic situation in Canada and I will continue to do that. National security is already a rationale in terms of this particular limited amendment. We are simply asking to add the words "economic security", which would then go through the regulatory process.

Shelby Kramp-Neuman: I have two more questions.

Does the domestic human rights record of foreign states factor into the consideration you just spoke of, and finally, would the dumping of steel into Canada by nations such as China constitute an economic threat?

Hon. Anita Anand: I want to reiterate that in my discussions with my counterparts, I always underline the importance of human rights, international law and domestic public safety and security. This is without exception.

In addition, I will say that we work with other countries, as many examples in our chairing of the G7 have shown, in order to show consistent positions on human rights and to show that those rights apply across the board.

Engagement with countries does not mean endorsement. We raise these issues, along with a host of other issues, because we take them seriously. We have to be able to be at the table and have the strength of our convictions to raise points of disagreement without destabilizing areas of co-operation.

The Chair: Thank you very much.

Let's go to MP Steven Guilbeault.

You have five minutes.

• (1605)

[*Translation*]

The Hon. Steven Guilbeault (Laurier—Sainte-Marie, Lib.): Thank you very much, Mr. Chair.

Thank you, Minister, for being here.

I'd like to say hello to Mr. LaTorre, with whom I had the pleasure of working when he was our ambassador in Sweden.

At the beginning of your remarks, you said that the global system was being rewired, or rewritten in a way. The older people in the room may remember the famous book by Francis Fukuyama, titled *The End of History and the Last Man*. At that time, it was thought that liberal democracies were the pinnacle of global politics, but we can see that this is not the case at all. We are witnessing geopolitical events right now that many of us never thought we would see in our lifetime. This explains the importance for the Government of Canada, as a responsible government, to review certain laws and regulations, and to see where it needs to act or react.

I now have a few questions for you.

How do the proposed provisions—which I hope will be endorsed by the opposition—and these commitments align with our other international commitments, such as our free trade agreements?

The Hon. Anita Anand: Thank you for your question. Thank you also for acknowledging that the words of Francis Fukuyama are no longer true today. In some sections of his work, he reiterated the importance of multilateral institutions.

We now know that, indeed, multilateral institutions are very important, but our reality is different. That means we must respond to these environments, to the economy and to the international situation.

The current situation is very difficult. I see that several of my counterparts from other countries are responding by taking action. They're working with each other within multilateral institutions.

The term "economic security" includes Canada's ability to manage threats and shocks from abroad. We can be flexible and respond to the situation. I hope that everyone in the room and in the House can work together, as we did at the start of the pandemic. At that time, everyone said that our country needed something new.

Our country needs co-operation, not partisan politics. I appreciate your question, and I hope that we can work together for our country.

The Hon. Steven Guilbeault: Thank you, Minister.

I know my question may sound a bit like the one some of my colleagues have asked, but can you explain to the committee why the government believes it needs these changes?

How are the tools we currently have inadequate to face this changing context?

The Hon. Anita Anand: It's true that Canada has a strong tool kit to ensure its economic security, including laws and enforcement mechanisms aimed at detecting crimes, preserving natural resources—I want to take this opportunity to thank you for your hard work on that—protecting intellectual property, promoting trade and addressing various types of economic coercion.

This is another tool for us. We already have mechanisms in place, but we need to defend our economy and ensure that we have the legislative capacity to respond to economic shocks.

As my honourable colleague mentioned, it's true that there's a process for issuing orders, but by adding these words to the law, we would have another mechanism to respond to international economic shocks from a legislative perspective.

• (1610)

[*English*]

The Chair: Thank you very much.

We go next to MP Brunelle-Duceppe.

You have two and a half minutes.

[*Translation*]

Alexis Brunelle-Duceppe: Thank you, Mr. Chair.

During the last round of questions, Minister, you told me that what was signed in China was not an agreement.

Is that right?

The Hon. Mona Fortier: Mr. Chair, I have a point of order.

I would like to know what the connection is between this question and the conversation we're having today. We're supposed to be focusing on specific elements. I just want to check whether it's relevant.

Alexis Brunelle-Duceppe: Mr. Chair, we're talking about trade agreements, and provisions that will impact agreements related to supply chains, imports and exports. I think it's relevant.

[*English*]

The Chair: I will give the members a bit of leeway, but please try to stick to the parameters.

[*Translation*]

Alexis Brunelle-Duceppe: I hope I haven't lost any speaking time.

Minister, did you really tell me that there was no agreement?

The Hon. Anita Anand: I said that we needed to diversify our supply chains. That said, we need to resolve the tensions—

Alexis Brunelle-Duceppe: Minister, I will answer for you, because—

The Hon. Anita Anand: —between the two countries, and that's what we'll do.

Alexis Brunelle-Duceppe: —to be laughed at like that is really shocking.

The Hon. Anita Anand: We are going to diversify our supply chains—

Alexis Brunelle-Duceppe: I will quote you.

The Hon. Anita Anand: —and resolve tensions in the bilateral relationship.

Alexis Brunelle-Duceppe: It's really frustrating to be laughed at like that. It's mind-blowing. It's a total lack of respect on your part.

During the last round of questions, you told me that it wasn't an agreement. I will quote the statement that was published on the Prime Minister's page on January 16: "To renew and strengthen that relationship, Prime Minister Carney and President Xi secured a[n]...agreement-in-principle..."

For me, an agreement-in-principle is pretty much the same thing as an agreement. Let's stop playing with words. We're bringing in 49,000 Chinese electric vehicles through this trade agreement, and we know full well that some of the components of these vehicles come from the forced labour of Uyghurs in the Chinese supply chain.

When you tell me that forced labour is unacceptable and you sign a trade agreement that brings goods made from forced labour into Canada, you're contradicting yourself.

The Hon. Mona Fortier: Mr. Chair, I have a point of order.

I'm sorry, but we're talking here about trade agreements. We're not really talking about the Export and Import Permits Act. I just want to understand how we can—

Alexis Brunelle-Duceppe: I'm talking about imports and supply chains.

The Hon. Steven Guilbeault: If I may, Mr. Chair, I'd like to add something concerning my colleague's point of order.

I understand that the member opposite may not be getting the answers he'd like to have, but the minister has provided answers, with

all due respect. They may not be the answers he wants, but that's not a reason to say what he has just said to the minister.

Alexis Brunelle-Duceppe: I have my reasons, and you have yours.

I'll go back to what I was saying. If you want, I can go back to the clauses.

How will the amendments to the law being discussed today help block the importing of products made from forced labour in supply chains?

The Hon. Anita Anand: Our foreign policy includes measures to ensure that we protect our values and human rights, while diversifying our supply chains. We continue to ensure that we have the right tools to protect our economic interests.

As I said, we continue to emphasize the importance of human rights. That's clear, and I hope everyone here understands it. Our government is able to advance several measures at the same time, whether in the area of human rights or international law. Furthermore, for our country and our fellow Canadians, we must build one national economy. I hope everyone can see that.

• (1615)

The Chair: Thank you.

[*English*]

We're way over time.

I go next to MP Mantle.

You have five minutes.

Jacob Mantle (York—Durham, CPC): Thank you, Mr. Chair.

Minister, in your opening statement and in many of your interventions, you spoke about upholding Canadian values here at home and abroad. Would you agree that includes things like free expression and association, protection from unreasonable search, etc.?

The Chair: Again, I'm happy to allow at least some leeway for the first question, but let's please try to stick to the topic at hand, which are the import and export changes.

Jacob Mantle: I directly referenced the minister's opening comments. If that's not relevant, then....

The Chair: I'm saying there's leeway for the first question.

Please, if you want to test the chair's ability to cut you off, I'm happy to play that game.

Thank you.

Hon. Anita Anand: I am a lawyer, and I believe in the law. These amendments are about economic security. This doesn't mean we're not addressing issues relating to human rights and international law.

Jacob Mantle: Thank you. You've answered my question.

Now that the Federal Court of Appeal has ruled that, in fact, your government trampled on those rights here at home, I want to give you the opportunity to see whether you'd like to change your opinion—

The Chair: I'm sorry, but I have to cut you off.

I'm going to suspend the meeting. Let's suspend the meeting for five minutes so that we can get back in order.

• (1615) _____ (Pause) _____

• (1620)

The Chair: I'd like to resume the meeting with another reminder to all members that the motion that was passed and which triggered this meeting was for this committee to focus on the subject matter of clauses 460 to 462, division 27 of Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on November 4, 2025.

As I said in my previous comments, I'm happy to provide a bit of leeway for members to get to their questions and build their arguments, but it has to be within the proposed amendments to the Export and Import Permits Act, which is division 27 of Bill C-15.

We will resume the line of questioning for the minister by MP Mantle.

You have four minutes.

Jacob Mantle: Minister, under both the Special Economic Measures Act and the Export and Import Permits Act, Canada has extensive sanctions and export controls on goods that would find their destination in Russia. Is that correct?

Hon. Anita Anand: We have a comprehensive EIPA, as your question suggests. That's correct.

Jacob Mantle: How many prosecutions have been undertaken with respect to violations of that sanctions regime under either the SEMA or the EIPA, with respect to Russia?

Hon. Anita Anand: I will ask my officials to respond with the data. Thank you.

Robert Brookfield: There's one case that I'm aware of, the Trofimov case, in which the RCMP laid charges against an individual for allegedly transferring drone parts, I believe it was, to Russia.

Jacob Mantle: That's one case. We have a comprehensive regime targeting Russia, and, in so many years of the war, we've had one case.

You said that we have a comprehensive regime and that you need to make this change to make it even stronger. Why should we believe that anything will change, even in making this amendment, when you're not prosecuting or enforcing the law as it is today?

Hon. Anita Anand: With respect, the responsibility rests with the RCMP to conduct investigations and to make a determination as to whether a prospective violation has occurred. What I am here to defend today is the need for us to have an additional legislative tool relating to economic security.

I raise that point and also raise the point that you—

Jacob Mantle: Thank you, Minister. You answered my question. You take no responsibility for the enforcement of Canada's sanctions against Russia's war machine. I hear you on that.

Hon. Steven Guilbeault: I have a point of order, Mr. Chair.

That is not at all what the minister just said.

Jacob Mantle: She can make her comments and I will make mine.

Hon. Anita Anand: I agree with my honourable colleague that you are misrepresenting my comments. I would ask you, with respect, as I am speaking truthfully, to not misinterpret and misrepresent what I am saying.

Thank you.

Jacob Mantle: What other evidence do you have that you've been doing what you say?

There's one prosecution. If there are more or there's other evidence you can provide to the committee, feel free to provide it.

The Chair: I would suggest that the minister, despite—

Jacob Mantle: I think the minister is capable of answering. She doesn't need your help.

The Chair: I'm not helping anyone. I am the chair of the committee and I would ask you to please—

Hon. Anita Anand: Mr. Chair, I'm happy to respond with the information that I have.

I was correct in my point that it is the RCMP that responds to violations of the sanctions regime. We've been clear that Russia must pay for the reconstruction of Ukraine.

We introduced the sanctions-based private asset seizure and forfeiture regime in 2022. These authorities have been used: in December 2022 to restrain \$26 million U.S. believed to be owned or controlled by Roman Abramovich; and in June 2023 to seize an Antonov aircraft grounded at Pearson airport and believed to be owned or controlled by Volga-Dnepr airlines.

• (1625)

Jacob Mantle: Thank you, Minister. I just have 25 seconds left, so I want to get one more question in.

Hon. Anita Anand: That's some evidence of what I'm doing.

Hon. Steven Guilbeault: He wanted examples, and now that he's getting examples he's not happy. He has to pick a lane at some point, Chair.

Jacob Mantle: That plane sits on the tarmac as we sit here today.

Hon. Anita Anand: Actually, I am making a claim in Ontario's Superior Court for us to have the legal right to seize and liquidate that asset, if necessary. Again, that is another example of the way in which I'm acting, Mr. Chair.

Jacob Mantle: Will you prohibit Russian refined petroleum products from entering Canada under the EIPA?

Hon. Anita Anand: I want to begin by saying it's irresponsible to suggest that these sanctions are not worth putting on Russia. This is an effort in which, as a country, we should be supporting Ukrainians in their time of need to protect their territorial integrity and their state sovereignty.

Mr. Chair, I'm actually surprised that the member opposite does not believe that as well.

Jacob Mantle: Having a paper tiger doesn't [*Inaudible—Editor*].

The Chair: Thank you. We're out of time.

I'm going next to MP Rob Oliphant.

You have five minutes.

Hon. Robert Oliphant (Don Valley West, Lib.): Thank you, Mr. Chair.

I'd like to follow up on some earlier questions that I think were really fine from Mr. Aboultaif, who was digging into the necessity for this change.

My understanding is there was an interpretation of the existing laws that could have limited the government's ability to defend Canadian economic sovereignty and well-being. These amendments were put in on both the export and import sides to clarify for certainty and ensure the government would be acting under the law while Canadians were concerned about their economic well-being due to either economic dependency on cheap goods coming into Canada from areas that would diminish jobs in Canada.

Am I right that this was to add a certain legal clarity so that the government could act under the Governor in Council?

Hon. Anita Anand: Yes, exactly. I will further emphasize that each country has its own unique control framework. Our view is that having a power that other countries have would enable us to collaborate with them internationally, as well as to provide us with yet another measure if, in fact, we were required to respond to issues relating to economic security.

I will also say that the amendments would be taken very seriously and would only be utilized in cases where there is no other tool to respond to the crisis at hand. It's an extra layer of security where other tools may not get the job done.

Hon. Robert Oliphant: Thank you, Minister.

Following up on other questions, we have three sanctions regimes that we work under, with the Special Economic Measures Act, the so-called Magnitsky law and our participation in the UN sanctions regime. That there are not prosecutions at times could suggest that the sanctions are working. It could suggest, actually, that the power of these sanctions is for importers and exporters of goods in Canada to follow the law.

I would say that this measure you're adding is signalling to industry and to other countries that might want to threaten Canada's economic prosperity that we have a law that is strong and matches laws of some other countries quite similarly.

Is this law unique to Canada or is it similar to laws in other countries that would be deemed necessary to assert our economic sovereignty, as it were?

• (1630)

Hon. Anita Anand: This is a moment in the history of our country where protecting Canadian sovereignty is of the utmost importance. Like other countries, Canada is taking measures to ensure that we're protecting our economic security and, therefore, our overall sovereignty.

This is in addition to investments that we are making in the Canadian Armed Forces and in Arctic security—\$80 billion for the defence and security of our country in the last federal budget, which I will note the members opposite voted against.

It is important also, if I could, to finalize the answer that I provided in the last round of questioning. There is proof that we are moving forward with the forfeiture of assets, including the Antonov aircraft. Forfeiture proceedings for the aircraft were initiated in 2025 by the Government of Canada in Ontario Superior Court. This is yet another example of the way in which we are utilizing the laws for the benefit of the Ukrainian people. It's very important for us to remember that.

Hon. Robert Oliphant: We're doing that within the rule of law, which is quite critical.

Thank you, Mr. Chair.

The Chair: Thank you very much, MP Oliphant, for concluding that round.

Minister, I want to thank you for your appearance and testimony before this committee.

We will now briefly suspend the meeting to prepare for the second portion of our meeting.

Thank you.

• (1630)

(Pause)

• (1635)

The Chair: I call this meeting back to order.

Before proceeding with the witnesses, I'd like to inform members that any proposals or amendments they wish to submit as part of the study of Bill C-15 must be forwarded to the committee clerk. The clerk will compile them and transmit them to the Standing Committee on Finance no later than February 27. Members therefore have until February 26 to submit their proposals or amendments.

In addition, earlier today, the clerk circulated the budget for the present meeting. Is it the pleasure of the committee to adopt the budget of \$500?

Some hon. members: Agreed.

The Chair: Thank you.

I welcome back Mr. Robert Brookfield, who was with us during the first hour. He's joined by two colleagues: Patrick Boulanger, director of the export controls policy division; and Christian Larose, acting director of the export controls operation division.

Welcome.

I will now open the floor to questions, beginning with Mr. Aboultaif.

You have six minutes.

Ziad Aboultaif: Thank you, Chair.

Thanks to the witnesses for appearing before the committee today.

Who would like to define the economic security interest?

Robert Brookfield: I believe, as you've heard in the past from the minister and now today from my colleagues in the previous panel, the intent of the economic security terminology is broad. The gap it is intended to fill is the difference that presently exists under the Export and Import Permits Act to allow listings for various purposes, such as fulfilling free trade agreements, defence materials, distribution for national security and the broader desire to respond to the changing world we live in, under which other economic security interests such as supply chains and potential economic threats from other countries are directed at us.

• (1640)

Ziad Aboultaif: Thank you.

Global Affairs Canada officials have indicated that clause 461 would allow articles to be added to the import control list, if necessary, to prevent Canada from developing an economic dependence on relatively cheap goods from unreliable foreign suppliers.

When we speak about cheap products, we know that historically, via globalization, China was on that list for products. Is this still the case now, and will this application of clause 461 manage to help prevent those incidents from happening?

Robert Brookfield: I would say that both clause 460 and clause 461 are intended to give us a tool that could be used in appropriate circumstances. It's country agnostic in the sense that this amendment does not target any particular country or any particular product. It would allow the controls, whether they're simply monitoring, restrictions or prohibitions, on listed products as they are described in appropriate circumstances.

Ziad Aboultaif: Can you think of any product or any country specifically that this measure could be used against immediately as we implement it?

Robert Brookfield: I could certainly think of many countries or products that it could theoretically be used against. I would say the intent of the legislation is not to target any particular country or product specifically. The idea is to close a gap in terms of tools that could then be used, as the minister said, after appropriate consultations on and calculations of the impacts of any particular product being added and the types of controls that would be put on it.

Simply putting a product on the list through regulations would be insufficient to really determine what the controls are. The question would be this: What's the nature of the control? Again, is it prohibition or monitoring? Is it restriction on the volume? There are other sorts of things.

Ziad Aboultaif: I know the new regulation would apply to any product or country out there, but there must be priorities for which areas and industries we target in order to be able to protect Canadian products.

Any policy means to do two things. One is on the inside and one is on the outside. Part of the process is to somehow also protect our industries and protect our consumers. What I'm trying to get from you is whether there is a specific top list of products and industries that we would like to see protected.

Robert Brookfield: The simple answer is no.

There are various possibilities of how this tool could be used, but the motivation for this change is that the tool could be used in many certain situations, some of which we can guess at now and some of which we can't even speculate on. The purpose of it is to allow us to be flexible moving forward.

Ziad Aboultaif: Does that mean we would have new tools in the hands of the government to implement new measures? Is that correct?

Robert Brookfield: Yes. The purpose of the legislation is to allow new items to be added to the export control list.

Ziad Aboultaif: What are these new tools that did not exist before?

Robert Brookfield: Before, there were only certain grounds under which an item could be added to the export control list or import control list. The ground of economic security was not included.

The legislation is changed regularly to adapt to changing situations. For example, about a decade ago, paragraph 3(1)(g) was added to allow softwood lumber exports to be monitored. Because of the context of the relationship with the United States, it was deemed appropriate to be able to monitor those transactions, which was not presently allowed under the legislation that then existed.

This would allow greater possibilities for adding items to the lists.

Ziad Aboultaif: The purpose of this legislation is to make a positive impact on the way we do things. Is that correct?

Robert Brookfield: I believe so, yes.

Ziad Aboultaif: Is there any negative side you might anticipate could happen, such as when negotiating a new trade agreement?

Robert Brookfield: The Export and Import Permits Act presently allows the implementation of trade agreements through it. It's regularly done, for example, to implement tariff rate quotas or other sorts of things under free trade agreements. This amendment is not necessary for us to implement free trade agreements.

If your question is whether adding items to the lists and controls on items potentially have positive and negative implications, yes, it does, certainly. Any restriction on imports or exports, even the requirement to file a permit for statistical purposes, puts some burden on industries that are affected. Parts of any consideration of what's added on and what the control should be are the positive and negative impacts that would come from this.

• (1645)

Ziad Aboultaif: Global Affairs, which is your department, used the term “economic dependence”. Does that mean the government anticipates we might have economic dependence?

Robert Brookfield: It's not within the mandate of my unit to pronounce on whether or not we have economic dependence from an economic perspective. That would probably be more for the Department of Finance or economists in our unit.

I will say that this tool is intended to potentially be used against economic dependence.

Ziad Aboultaif: What does the term mean, then?

Robert Brookfield: I don't think the term is used in the legislation amendments here. I don't have a view, from my perspective, on what the term means.

Ziad Aboultaif: I have a note in front of me suggesting that Global Affairs has indicated that clause 461 would allow articles to be added to the import control list, if necessary, in order to prevent Canada from developing an economic dependence. That's from Global Affairs.

Robert Brookfield: That's probably true.

The general point, I would say, is that the language here in this legislation is intended to be broad. One of the potential ways it could be used is to combat economic dependence, however defined. There's no definition in the legislation on what that term means.

The Chair: We are over time, so I'm going next to Anita Vandenbeld.

You have six minutes.

Anita Vandenbeld (Ottawa West—Nepean, Lib.): Thank you, Mr. Chair.

Thank you very much for being here and answering some of the more technical aspects.

We know Canada has one of the strongest export and import permit regimes in the world. Usually, the things that are put on the export control list have to do with national security or international law, like the Arms Trade Treaty and others like that.

Can you tell me, first of all, how strong our import and export control system is?

Next, what change would this have in terms of more national security, including economic coercion? Does it mean we're seeing this as a national security threat? What is actually changing in this?

Robert Brookfield: Yes, we have a very strong and robust export and import controls regime. We have, under that regime, approximately 5,000 permits a year that are what we call strategic export permits. Those are dual use, military, nuclear, etc. Our units

administer many more export and import permits that are more economic in nature, such as for implementing supply agreements and free trade agreements. We issue about 280,000 permits a year, only 5,000 of which are strategic export permits. Most of those are automatic for dairy, sugar and things like that. That's the part that can implement free trade agreements and other economic agreements.

What this provision would do is add what is arguably another category, or expand that category, of strategic permits. This would allow us to put products on the list that are not traditionally put on in the course of free trade agreements or other sorts of economic situations. They're more about supply chain dependence, potential economic dependence or potentially implementing agreements with other countries to ensure that Canadian companies, industry and workers have access to the products they need at an appropriate price.

Anita Vandenbeld: Can you walk us through what happens when an item is listed? What does that mean for the exporting company or the importing company? What is the process that it needs to go through?

Robert Brookfield: If a product—let's just call it product X to be neutral—was added to the export control list, in order to export product X, you would need to have a permit. We would then, as part of putting that item on the export control list, have to have in place a permitting regime. That permitting regime could be, as for example applies for many softwood lumber products, automatic. You simply need to go through the electronic system. If you apply, you will automatically get the permit, and we will be able to track as a statistical purpose what's being exported. It could be, as is the case right now for military goods, a very elaborate process where we look at each individual permit. We see whether it has potential human rights or humanitarian concerns, strategic value. We look at various considerations, including the nature of the product and the destination, and come to an individual decision in furtherance to the minister's power as to whether or not an export permit should be granted or denied.

Anita Vandenbeld: How much of this is permissive of the minister and how much is binding? For instance, I know that under the Arms Trade Treaty, it says that the minister shall not sign an export permit if it could actually lead to some of the section 7 violations, like abuse of civilians and terrorism. In this case, I would imagine it is a little bit more permissive than that, and there's really more discretion there.

• (1650)

Robert Brookfield: Reports have found in general, including for military items, that the Minister of Foreign Affairs under the Export and Import Permits Act has a broad discretion, but it's not unconstrained. As you noted, specifically with respect to items covered by the Arms Trade Treaty, and in fact, more broader than the treaty itself requires, but as Parliament chose to apply it more broadly to, for example, parts for military items, the requirement is to look at an item and to discern whether it meets certain problems, and if so, to deny the permit.

As a discretionary matter, even if that product is not subject to the Arms Trade Treaty, for example, a dual-use item—it could be a nuclear pump—the minister can look at those, and our department looks at those items to determine whether there is appropriate problems, and if so, then the permit is normally denied.

Anita Vandenbeld: How strong is our legislation compared to that in other countries?

Robert Brookfield: I believe from talking to colleagues and from our review of other countries, it's one of the strongest and most robust in the world.

Anita Vandenbeld: We also have follow-throughs. We have ways of ensuring that when you are exporting, it doesn't then end up being sent. I'm thinking particularly of the Arms Trade Treaty. We have a lot of robust assurances to make sure there are not third parties that would be able to access those.

Robert Brookfield: You have measures to strive to ensure that items do not go where they should not go.

Starting with the companies themselves, we deal with companies from coast to coast to coast. They don't want to break the law. They deal with this on a regular basis. They have their own permit officer. They sometimes make mistakes, so they might have someone internal. They have their own compliance programs. We start with that, and then it escalates to the point of potential internal administrative penalties, such as not getting permits if they don't do it appropriately, to the Canada Border Services Agency imposing fines or freezing items, to the RCMP imposing prosecutions.

Anita Vandenbeld: In your view, will this change to the legislation strengthen it?

Robert Brookfield: Yes.

Anita Vandenbeld: Thank you very much.

Would the other two individuals like to add anything? No?

I just want to thank you for your work and for your testimony today.

The Chair: We will go to MP Brunelle-Duceppe for six minutes, please.

[Translation]

Alexis Brunelle-Duceppe: Thank you, Mr. Chair. You know you're my favourite chair, and I sit on three committees, so that's something.

I thank the witnesses for being with us.

I'm going to ask you a question to which I didn't get an answer earlier. The answer might be clearer if it comes from you.

How will the amendments being discussed today strengthen Canada's ability to meet its international obligations with respect to human rights and humanitarian law?

Robert Brookfield: As I said earlier, when we receive a request for an export or import permit, we take into account issues related to international humanitarian law and other international principles to decide whether or not a permit will be issued.

Alexis Brunelle-Duceppe: On what criteria do you base your decision to block or issue an import or export permit?

Robert Brookfield: Some are found in the act. The act requires that the minister take into account the obligations arising from the Arms Trade Treaty. The others, of course, are matters of policy and international law.

Alexis Brunelle-Duceppe: Are you familiar with the American legislation on the importing into the United States of products made using forced labour?

Robert Brookfield: I'm not an expert in that field.

Alexis Brunelle-Duceppe: I ask the question because, currently under Canadian legislation, it's up to the customs officer to demonstrate that the product entering the country is not made using forced labour, while American legislation shifts the burden of proof. That means that it's up to the importer to demonstrate that the product was not made using forced labour. The U.S. legislation is therefore much more effective, as well as stronger and more robust.

In that case, instead of adopting these clauses, wouldn't it be easier to copy the American legislation to ensure that certain products do not pass through Canada to be sent to the United States by various means? I understand that it's more of a political choice than anything else.

Robert Brookfield: Canadian legislation contains many legislative tools to address problems and harmful effects abroad related to importing and exporting. The Export and Import Permits Act addresses one aspect of that.

However, as you probably know better than I do, there are others, such as the law that was recently passed, the Fighting Against Forced Labour and Child Labour in Supply Chains Act, and the Customs Tariff act, which are not under the jurisdiction of our unit.

• (1655)

Alexis Brunelle-Duceppe: I understand, but to date, no goods have been seized. I think only one boat was boarded in Canada, and it was allowed to leave. Conversely, in the United States, millions of tonnes of products are being turned away. In short, it's not a big deal.

Were consultations held with the affected sectors before these clauses were drafted?

Robert Brookfield: I would say that, at Global Affairs Canada, we always work closely with all sectors in Canada.

As I said earlier, with this tool, our unit isn't targeting a specific sector or country, so we haven't held consultations since we're not at that stage yet.

We consult companies or other appropriate stakeholders before adding something to the list.

Alexis Brunelle-Duceppe: That's legitimate. I understand that.

Will these new clauses address gaps that currently allow Canadian goods to go to problematic states around the world?

Robert Brookfield: I can't answer that question, because it's a bit too general.

It would be a tool to address problems, because if we put something on the list, there must be a list related to export and import.

Another unit I'm responsible for works with the sanctions legislation, which is not covered by these amendments. There was reference to the legislation in the United States, the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law), the United Nations Act and the Special Economic Measures Act.

Alexis Brunelle-Duceppe: That's a very good answer.

I thank the witnesses for their input.

Mr. Chair, I'm going to propose a motion for which I gave notice last week, so it is debatable today. I think the interpreters already have the sheets. The motion is as follows:

That, pursuant to Standing Order 108(1), the committee invite Mark Wiseman, Canada's new ambassador to the United States, to appear for two hours to testify about his mandate in the context of the Canada-U.S. relations.

[*English*]

The Chair: We have a point of order with respect to this.

[*Translation*]

The Hon. Mona Fortier: I understand that my colleague is proposing his motion. I think we knew he was going to do it.

I know we have a subcommittee meeting next week to discuss the various motions and the work we will be doing. I was wondering whether the subcommittee members wanted to discuss this further during the subcommittee meeting, so we can look at all the work we're going to undertake.

The question is whether we want to wait until our subcommittee meeting next week to discuss the schedule and work plan or whether we want to do it today.

Alexis Brunelle-Duceppe: If I may, Mr. Chair, I would like the motion to be adopted. I don't think I'm the only one here who supports adopting it today.

[*English*]

The Chair: We have another point of order.

Ziad Aboultaif: I would like to present a friendly amendment to the motion, if it's okay.

[*Translation*]

The Hon. Mona Fortier: What is your friendly amendment?

[*English*]

Ziad Aboultaif: The amendment would read:

That pursuant to Standing Order 108(1) the committee invite Mike Wiseman, Canada's new ambassador to the United States, to appear for two hours to testify about his mandate in the context of the Canada-U.S. relations after taking office.

[*Translation*]

Alexis Brunelle-Duceppe: Mr. Chair, I accept the friendly amendment.

The Hon. Mona Fortier: Can you say it one more time?

[*English*]

Hon. Robert Oliphant: I have a point of order.

I think there is no such thing in our Standing Orders as a friendly amendment. We would have to vote on the amendment as such. It would be up to the prerogative of the committee to do that.

The Chair: Sure. My understanding from the clerk is that we take a vote on the amendment first and then on the motion.

Hon. Mona Fortier: Could you reread the amendment?

The Chair: Mr. Aboultaif, go ahead, please.

Hon. Mona Fortier: I wasn't listening to the interpretation. Do you have it in both official languages?

Ziad Aboultaif: Yes.

[*Translation*]

The Hon. Mona Fortier: Thank you.

[*English*]

Ziad Aboultaif: Do you need copies?

Hon. Mona Fortier: No. Just read it one more time. I want to hear it again.

Ziad Aboultaif: Sure.

The amendment reads as follows:

That pursuant to Standing Order 108(1) the committee invite Mike Wiseman, Canada's new ambassador to the United States, to appear for two hours to testify about his mandate in the context of the Canada-U.S. relations after taking office.

● (1700)

The Chair: I'd like us to proceed with voting on the amendment.

Hon. Robert Oliphant: I would just say that we're in favour of that.

I want to speak to that amendment for a moment.

I think it's very important to understand that under the Westminster parliamentary tradition, it is the executive's prerogative to appoint ambassadors. The Prime Minister will make that appointment. It is not the responsibility of this committee to do a confirmation hearing. We're not American. I would take great offence if we had a sense that this was some sort of equivalent to an American confirmation hearing. Rather, we will support this amendment because it clarifies that we will be discussing his mandate as has been given to him in the context of the United States.

We are very supportive of the amendment.

Thank you.

The Chair: I gather there is unanimity from all members in terms of supporting the amendment.

(Amendment agreed to)

(Motion as amended agreed to [*See Minutes of Proceedings*])

The Chair: There were none against. Thank you.

We'll go to the next round, beginning with MP Holman.

You have five minutes.

Kurt Holman (London—Fanshawe, CPC): Thank you, Chair.

Thank you to the witnesses before the committee.

Gentlemen, division 27 of Bill C-15 dramatically expands the definition of economic security under the Export and Import Permits Act, giving the cabinet broad discretion to restrict imports and exports without clear limits. Can you explain why the government is asking Parliament to sign off on such sweeping powers without clearly defining what constitutes an economic security threat and how Canadians can be assured that this authority will not be abused to interfere with lawful trade and domestic industries?

Robert Brookfield: First, as a small quibble, I would argue that it does not substantially expand the term “economic security”, because that term does not exist presently under the Export and Imports Permit Act. Certainly, it adds the terminology of allowing items to be added to the list for economic security purposes. That is a potentially broad expansion, as we've testified. The purpose is to allow the government to add to the export control list or the import control list an item in a broad variety of potential situations.

The reassurance in terms of potential abuse is the regulatory process. This would need to go through the normal regulatory process, which would require potential consultations and publications. As would all legislative and regulatory matters, it would be subject to review by the courts if there were abuses outside the discretion appropriate for the Minister of Foreign Affairs and obviously for stakeholders and others to express concerns about the right balancing of items being added to the list and the controls that are added in relation to anything added to the list.

Kurt Holman: Okay. Thank you for the answer.

Gentlemen, subsection 5(1) of the act already allows the government to restrict imports of arms and ammunition. Bill C-15 expands that power further under the banner of economic security. Why is the government pursuing yet another backhanded attack on lawful hunters, sports shooters and farmers instead of focusing its efforts on stopping—

[*Translation*]

The Hon. Steven Guilbeault: Mr. Chair, I have a point of order.

Excuse me, am I at the wrong committee? I thought this was the Standing Committee on Foreign Affairs and International Development.

[*English*]

Kurt Holman: I'm speaking here. I'm asking my question.

The Chair: I understand.

I would suggest that we allow the honourable member to complete his question with a reminder to please stick to the act and the amendments.

Kurt Holman: All right. I'll just continue with my question.

Why is the government pursuing yet another backhanded attack on lawful hunters, sport shooters and farmers instead of focusing its efforts on stopping smuggled guns and cracking down on violent criminals who actually threaten public safety?

Robert Brookfield: The Export and Import Permits Act under the existing legislation already allows firearms to be added under the export control list or the import control list. These amendments are not targeting that situation, because it's not necessary. The goal of these amendments is to deal with economic security matters, which are precisely those kinds of areas not presently covered in terms of military arms or weapons, including those used by hunters.

Kurt Holman: Thank you for the answer.

Global Affairs officials testified that these amendments do not immediately impose new controls but merely give the government flexibility to act later.

Gentlemen, could you please tell Canadians plainly whether there is already a list of goods, technologies or industries that the government intends to target once this authority is in place, or is Parliament being asked to approve a blank cheque with no transparency?

• (1705)

Robert Brookfield: I won't accept the premise of the question, but I will say there is no list of items intended to be targeted today.

Kurt Holman: Thank you for answering the question.

If there is no agenda and no predetermined reason for this policy, then why is the government seeking more powers?

Robert Brookfield: To restate what Minister Anand said and what I believe I've said as well, the purpose is that we have identified a gap in the existing legislation in the sense that we do not presently have the authority to add items to the export control list or the import control list in situations where Canada is being economically damaged or potentially economically at risk, as opposed to the existing provisions, which relate primarily to trade agreements or to situations of military defence.

Kurt Holman: Again, thank you for answering that question.

Continuing, gentlemen, officials acknowledge that import controls could be used to prevent reliance on cheap goods from unreliable foreign suppliers. At a time when Canadians are struggling with affordability, how does the government justify policies that could deliberately restrict lower-cost imports, drive up prices and worsen the cost of living crisis for families?

Robert Brookfield: I would suggest that if these amendments were passed, any decision to add an item to the list on that basis would need to take into account the considerations you have raised, as well as the potential benefits of adding a particular item to the list and the controls that would go with it.

Kurt Holman: Again, thank you for answering my questions.

I have one more.

These amendments concentrate significant economic and trade power in cabinet with decisions triggered by regulation rather than legislation. Given this government's track record of overreach and poor consultation, why should Canadians trust the Liberals to wield new powers responsibly and to pick winners and losers or punish sectors that are politically opposed?

Robert Brookfield: I think as a non-partisan public servant, I'm not in a position to answer that question.

Kurt Holman: Okay.

How much time do I have?

The Chair: You have two seconds.

Kurt Holman: I will yield my time.

Thank you, Mr. Chair.

The Chair: Thank you so much, Mr. Holman.

We'll next go to MP Guilbeault.

You have five minutes.

[*Translation*]

The Hon. Steven Guilbeault: Gentlemen, thank you very much for being with us.

Earlier today, the minister indicated that several countries had adopted similar measures. I believe she mentioned Japan, Germany and the United States.

Could you give us examples, or draw parallels between the types of measures those countries have adopted and what we are trying to do here today?

Robert Brookfield: I don't have the details on hand. I can send them to the committee later, if you wish.

In broad terms, I'd say that our analysis leads us to focus on the measures adopted in the United States, since they are clearer. The Americans have a lot of tools for various reasons, including economic reasons, while we have none.

The European Union, the United Kingdom, Japan and other countries such as Australia have their own legislation. It is, of course, related to their systems, and the European Union's system is very complicated, like that of the United States.

According to our analysis, I'd say that all these countries have the powers to implement systems addressing economic issues. While not exactly the same as what we're proposing here, these systems are aimed at making supply chains more reliable and addressing other economic threats.

In general, it is further to that analysis that we proposed these measures, but we can conduct a more in-depth analysis and provide the committee with more information on the legislation of other countries.

The Hon. Steven Guilbeault: Thank you.

You said there was no list of targeted products or countries. Can you give us an idea of the type of trade that could be covered by the measures we're discussing today?

Robert Brookfield: I'll give you a completely hypothetical example. Let's say that Canada has a limited quantity of product on the international stage and wants to ensure that it goes only to certain countries, with some restrictions, and that it doesn't all go to just one country or another. In this situation, we could impose a requirement to have a permit, we could limit the quantity going to certain countries or we could prohibit sending it to certain countries according to specific criteria.

The Hon. Steven Guilbeault: Thank you.

Mr. Chair, I have no further questions for the witnesses.

Thank you very much, gentlemen.

[*English*]

The Chair: Monsieur Brunelle-Duceppe, you have two and a half minutes.

[*Translation*]

Alexis Brunelle-Duceppe: Thank you, Mr. Chair.

Will there be a transition period for businesses and importers? Will there be clear guidelines to prevent unintended trade disruptions?

Robert Brookfield: When something is added to the export and import control list, we contact the companies. We have also published an export controls guide on our website to help individuals and companies.

In Mr. Larose's unit, our staff now communicate individually with most companies concerning regulations. I imagine that, if we made a decision about a certain product, our staff would discuss it with them.

I'll give you a recent example. Quantum computers have been added to the control list. It was new. We spoke with representatives from companies that work on quantum technologies to inform them and help them understand the situation. We wanted them to understand what happens when a product is added to the list.

• (1710)

Alexis Brunelle-Duceppe: Mr. Larose, do you have an example of a transition period?

Robert Brookfield: It's not exactly a question of transition.

Alexis Brunelle-Duceppe: Okay, we're talking more about clear guidelines. You speak directly with the companies to ensure that everything is well understood and that there's no confusion.

That's what I understand.

Robert Brookfield: As for adding a product to the list, it might be a regulatory process. There may be consultations. There could be an implementation period, but it depends—

Alexis Brunelle-Duceppe: It depends on the product.

Robert Brookfield: It depends on when the decision is made to add something to the list and how the permit system will be set up.

Alexis Brunelle-Duceppe: Okay. Thank you very much.

[English]

The Chair: Thank you very much.

We go next to MP Mantle for five minutes.

Jacob Mantle: Thank you, Mr. Chair.

Thank you, gentlemen, for being here.

I believe I heard in your testimony your view that Canada has one of the most robust and strongest sanctions and export control regimes in the world. I was surprised by that.

As you'll probably be aware, there was a report from March 2025 which said the exact opposite of that. It said that Global Affairs "lacked a regulatory culture" and was ill-equipped to enforce our regime.

Are you taking issue with that internal report? It was prepared by Global Affairs for internal consumption. Do you disagree with that report?

Robert Brookfield: First of all, I'll say that my comment was about our export control regime. We do, I would argue, have a robust sanctions regime as well, but since the topic here is changes to the Export and Import Permits Act, my commentary is focusing on that element.

I reiterate that, yes, I believe we do have a robust export controls regime and import controls regime. Could we do better? Certainly. There are reports from this committee and from the Senate, and an internal report, all indicating ways in which we could do better.

One recent example is that this committee, in January 2024, recommended that sanctions and export controls be looked at as a potential merger for potentially finding synergies. That is in progress. I'm presently responsible for the sanctions bureau and, separately, the export controls bureau. They will be merged this summer.

We are certainly always trying to improve. I would say that we have one of the strongest and most robust export controls regimes in the world. That doesn't mean we can't do better. I would also argue that other countries have their own problems, and it's not for me to comment on them, but we look to them and try to take from

them the lessons of what's better and the areas where we can improve.

Jacob Mantle: Thank you.

Of course, you would agree that many of our sanctions-related measures are implemented under the EIPA, for example, prohibitions on exporting certain goods to unfriendly nations like Russia or prohibitions on importing goods like crude oil from Russia.

How would you measure your success, then? What are your KPIs? How should we measure whether what you're saying about the regime is true? You say it's the best, the most robust. How should we measure that?

Robert Brookfield: First, to clarify a point, the Export and Import Permits Act is not our primary legislation for dealing with sanctions against Russia. That's primarily the Special Economic Measures Act, which has prohibitions on exportation and other dealings prohibitions. It is a different regulatory regime.

It's true that under the Export and Import Permits Act we do have a policy of presumptive denial for controlled goods to Russia, but they are not, for example, on the area control list, which is another sanctions-like mechanism under the Export and Import Permits Act. To clarify that point, that's not the legislation that is before this committee, as I understand it.

I'm sorry. I think I missed the second part of your question.

Jacob Mantle: Your KPIs for the—

Robert Brookfield: Under the Export and Import Permits Act, one of our primary KPIs is a question of service standards. As required under section 27 of the Export and Import Permits Act, we provide a report to Parliament every May on group 2 exported goods—military goods, essentially. That sets out the extent to which we are meeting our service standards.

Our service standard is essentially that we will provide a decision on a permit to NATO Plus countries, such as Japan and South Korea, within 10 days of application, and within 40 days for other countries.

Jacob Mantle: Do any of your KPIs refer to referral to the RCMP for potential violations?

• (1715)

Robert Brookfield: I'm a bit confused by the question. Our desire and our system is structured to prevent violations.

As I mentioned earlier, most Canadian companies, most individuals in Canada—

Jacob Mantle: I think that in Canada—

Robert Brookfield: If I may finish, most individuals in Canada want to comply with the law. Our focus is on helping them to comply with the law. We would not want the status of our system to be measured by how many people violate it. We want to prevent them from violating it, and most of them don't want to violate it.

Jacob Mantle: I would suggest to you that violations are rampant and well documented. For example, Canadian-made electronic detonators that were exported to Kyrgyzstan were re-exported to Russia, and over 30 Canadian luxury jets have been exported to Russia since the war began.

I don't think it's reasonable or persuasive to suggest that because we have this regime, everybody follows it. I think Canada actually has a reputation for being a paper tiger. When I taught a course at Queen's law on this, that was one of my exam questions.

In the last 30 seconds, I'll give you the exam question and you can give me your answer. The question was, do you think Canada's export and import controls and sanctions are a paper tiger?

[*Translation*]

The Hon. Steven Guilbeault: Mr. Chair, I think that's completely inappropriate.

The Hon. Mona Fortier: That's so inappropriate, Mr. Chair. I raise a point of order.

[*English*]

Jacob Mantle: Yes, they were.

Give me your top-level thoughts on that.

Robert Brookfield: I'm not aware of the specific examples you gave. I will say, as a general point, that we look very carefully into any allegations of problems and we do try to make sure that they are prosecuted and addressed.

There are challenges with prosecutions. At the end of the day, it's for independent police to do the best they can with the evidence they have to bring prosecutors a case that could be prosecuted. A case must meet the criminal standard in order to be able to bring a

challenge. That's not our department's responsibility, but we do support them in doing so.

The Chair: Thank you very much.

Next we go to MP Rob Oliphant.

You have five minutes.

Hon. Robert Oliphant: Thank you. I don't think I'll need all that. I think the officials have done a very good job at explaining the regimes to us.

I just want to take a moment to thank you for the work you do. In the number of sanctions that have been imposed, beginning with Venezuela as the first surge of sanctions and then with Russia, we have broken all records in the amount of work that you have had to do.

I also want to thank you for what has proven to be an incredible incentive for Canadian businesses to comply. You get many questions, I am sure, from exporters who would like to sell something but check it out first so that they are in compliance with the law. I am assuming that is far more of your work than is acknowledged publicly, so thank you for your work, and we'll see what comes in the next round of legislative changes that could happen in the future. Thank you very much.

The Chair: Would you like to respond to any of those comments?

Robert Brookfield: Thank you for your kind words.

The Chair: Officials, thank you very much for your patience and your testimony in front of this committee. Thank you for being here today.

That brings us, colleagues, to the end of the meeting. Is it the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Chair: Thank you. The meeting is adjourned.

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