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## Standing Committee on International Trade

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EVIDENCE

**Tuesday, May 4, 2010**

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**Chair**

**Mr. Lee Richardson**



## Standing Committee on International Trade

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• (1535)

[English]

**The Chair (Mr. Lee Richardson (Calgary Centre, CPC)):** Good afternoon. Welcome to the fourteenth meeting of this session of the 40th Parliament of our Standing Committee on International Trade.

Today we're going to continue our consideration of Bill C-2, An Act to implement the Free Trade Agreement between Canada and the Republic of Colombia, the Agreement on the Environment between Canada and the Republic of Colombia and the Agreement on Labour Cooperation between Canada and the Republic of Colombia.

To assist us today, we have as witnesses, first, from the Canadian Association of Labour Lawyers, Mark Rowlinson.

Welcome, and thank you for coming.

From Pulse Canada, we have Carl Potts, whom we've had before. He's the director of market development.

Welcome back, Mr. Potts.

We also have with us Murad Al-Katib, a board member at Pulse Canada.

We also have, from Spirits Canada and the Association of Canadian Distillers, Jan Westcott, president and chief executive officer.

Welcome back again, Jan, and thank you for coming.

We also have with us CJ Hélie, the executive vice-president of Spirits Canada.

From the Canadian Union of Postal Workers, we have with us Denis Lemelin, the national president.

We are going to hear brief opening statements from each group. I hope these can be kept within 10 minutes, because I'd really like to give all of the members an opportunity to ask questions today.

As we do have other business on the agenda, I'm going to get going right now. Following your statements, we'll start immediately with questions. We'll try to keep the first round to 10 minutes, and if we have time for a second round, we will go to five minutes for each round of questioning.

Without further ado, I think we'll get started on Bill C-2 and ask for opening statements. As I'm facing the witnesses, I may just start on my left with Mr. Potts.

We'll hear from Carl Potts from Pulse Canada for an opening statement. Thank you.

**Mr. Carl Potts (Director of Market Development, Pulse Canada):** Good afternoon.

Thank you, Mr. Chairman and members of the committee, for the opportunity to present here in front of you on this important matter today.

I'm pleased to have with me and will share my time this afternoon with Mr. Murad Al-Katib. He's on the board of directors of Pulse Canada. He's past-president of the Canadian Special Crops Association and he's also president and CEO of Alliance Grain Traders, which is the world's largest lentil and pea-splitting company and one of the world's largest exporters of lentils.

Pulse Canada is the national industry association that represents growers, processors, and exporters of pulses from Canada. Provincial pulse growers organizations and processors and exporters that are members of the Canadian Special Crops Association provide funding and guidance to our association.

Canadian pulse growers, processors, and exporters are critically dependent on exports for continued prosperity and growth. Typically, 70% to 75% of Canada's pulse production is exported, and when you look at specific products, it's even higher than that. In 2009, Canadian pulse exports topped \$2.1 billion, which is a new high, a new record.

Our industry has taken a very keen interest in the pursuit of strategic bilateral free trade agreements. Particularly, we look to ensure that we are able to retain competitive access to key markets. Key priorities for us include Peru, Colombia, and Morocco, and the Dominican Republic as well.

Colombia is a critical market for Canadian pulses and special crops. It's one of the top markets for green lentils and Canada's eighth largest market for pulses overall, importing about 104,000 tonnes, or \$70-million worth of product in 2009. Colombia is also a very significant market for dried peas, canary seed, and chickpeas, and with an agreement in place, we can begin to re-establish our market share for red beans into Colombia, which we've lost in recent years. In addition, pulse and special crops are Canada's second-largest agrifood export to Colombia at the present time.

In terms of the impact of our competitors' agreements on our industry, the U.S. agreement negotiated with Colombia gives U.S. pulses preferential access. It gives them tariff-free access for an unrestricted quantity of peas, lentils, and chickpeas, and for some special crops as well, and for beans it provides a tariff rate quota system that will progressively increase U.S. access over a period of about 10 years. If this is left unchecked, without a Canadian agreement in place, Canada will face a very stiff tariff disadvantage for pulses into Colombia, and it will significantly impact our market share.

Let me give you a few examples of what the impact will be of this Canadian agreement.

First off, this agreement will ensure that we retain competitive access for one of our key markets. To give you an example, if the landed cost of lentils in Colombia is about a thousand bucks a tonne, a 15% tariff disadvantage works out to about \$150 per tonne.

In an extremely competitive marketplace, it's often a matter of a few dollars per tonne that makes the difference between making the sale or not, so tariff disadvantages of this sort of magnitude will effectively shut the Canadian industry out of this market and reduce prices for Canadian farmers. This is really one of the most important aspects of this agreement for our industry: ensuring that we retain competitive access.

Secondly, this agreement will also re-establish competitive access for Canadian red beans, which have been effectively shut out of this market by a prohibitive 60% import duty.

Thirdly, the market will also reduce duties and the cost of product in Colombia. If you look at a product like canary seed, if we eliminate a 15% tariff disadvantage, we reduce the costs, and we have the potential for increased demand because of lower costs into Colombia.

We also could stand to gain an advantage relative to the U.S. for a period of time. We fully expect that it's just a matter of time before the U.S. implements their agreement with Colombia. But if we can get a tariff advantage even for a period of time, we may be able to establish an even stronger foothold into Colombia. An example of this may be the use of peas as a feed ingredient, where our analysis has indicated that, with the Canadian agreement in place, we could stand to have a \$10- to \$15-per-tonne advantage over U.S. corn and soybean meal into that particular market.

● (1540)

I'll now turn my time over to Mr. Al-Katib, who will make some specific comments from the perspective of a major exporter of these products from Canada.

**Mr. Murad Al-Katib (Board Member, Pulse Canada):** Thank you, Carl.

My company, Alliance Grain Traders Incorporated, is based in Regina. We are one of the largest processors and exporters of pulse crops in the world, starting only seven years ago in the basement of my house, and now accounting for over \$300 million in exports from Saskatchewan. We've created over 300 new jobs in Saskatchewan, Manitoba, and Alberta.

Pulses are something that I think people are starting to get more familiar with here on Parliament Hill as a result of the dramatic growth of the sector in western Canada. If we look at a product like lentils alone, we can see that it will account for over three million acres of production in Saskatchewan this year. Canada is the world leader in green lentil production and has a dominant market share of about 75% of the global trade in this particular product.

As a result, changes in Canadian supplies, through changes in production and changes in carry-out stock levels, have significant impacts on the global price levels that reflect back to returns to Canadian growers.

There are only a limited number of markets for green lentils in the world, and Colombia is arguably the number one or number two market in the world for this particular commodity. As a result of Canada's dominant market position, we do enjoy a very dominant market penetration in Colombia today, on a 15% tariff basis, which of course may change dramatically if the U.S. agreement goes ahead and ours does not.

The U.S. industry recognizes the opportunity to take advantage of preferential access and is fully supporting the U.S. free trade agreement with Colombia as a way to actually displace Canada as the major supplier of this particular product. It's critical that Canada implement this agreement with Colombia to ensure that the Canadian trade and Canadian farmers retain their competitive access to one of its most important markets and retain the market share that they have worked hard to build over many, many years.

Now, to look at the impact of the agreement, it will re-establish access for Canadian red beans. It will allow us to preserve our market position in the current crops that we sell into that market. This particular bill does enjoy strong support from our industry. In fact, the Canadian Special Crops Association, which is made up of 150-odd members from across Canada, has endorsed this particular agreement unconditionally.

When we look at the impact on employment, in addition to the significant impact on growers and pulse crops, we can see that losing our competitive access to a market will have a significant impact on the value-added processing and exporting companies in our industry.

Now, I talk about being the largest, but I want to note that I started my first shipment in January of 2003, and this is an industry dominated by small and medium-sized enterprises. It is an industry that is definitely critical to the economy in western Canada. So the companies in our industry range from large multinational grain companies to others, but also are really dominated by small single-plant processors. These companies are significant sources of employment in Canada and provide quality jobs in the areas of marketing, finance, logistics, plant operations, etc.

From a perspective of customers in Colombia, we were actually the target of some very significant and angry reactions from Colombian importers due to Canada's lack of response on the establishment of a free trade agreement prior to 2006. So the news of a pending agreement has been welcome to the industry there.

As for the industry there, we must recognize that this is basic protein food for the mainstream consumer. This is not a politically sensitive commodity, and it is providing basic health and nutrition to many citizens in the country. So providing cost-effective access to this type of commodity on a duty structure that is much more favourable does do a lot for basically building civil society within that country.

I have with me a letter from the major importer in Colombia, which summarizes the benefit of the agreement to consumers. I will quote from it:

With the low incomes for a large part of some social classes...[the duty] saving would positively support their food needs with an excellent nutritional value. These products are not sensitive locally and do not displace local production.

Will the Colombian citizen benefit? Yes. With pulses being important protein sources for the poorest people in the world, lower tariffs have the potential to provide food at a lower cost.

• (1545)

Mr. Chairman and members of the committee, the agreement is critical to our industry. It will ensure that we remain competitive in Colombia relative to the United States and will ensure that the years of market development by our companies are not jeopardized. It will allow us to rebuild our market share in red beans and it will provide an opportunity to gain an advantage relative to other shippers if Canada implements our agreement before the United States.

We need to ensure we implement as soon as possible, preferably before we start marketing and shipping our new crop later this summer.

We thank you for the opportunity.

**The Chair:** Thank you. That was very informative. I appreciate it.

Go ahead, Monsieur Lemelin.

[*Translation*]

**Mr. Denis Lemelin (National President, Canadian Union of Postal Workers):** I will give my presentation in French. I also have a document that was translated in both languages.

On behalf of the Canadian Union of Postal Workers, I want to thank you for the opportunity to appear before the committee on Bill C-2.

[*English*]

**The Chair:** I'm just wondering, Monsieur Lemelin, if you could just speak a little more slowly for the benefit of the translators. Thank you.

[*Translation*]

**Mr. Denis Lemelin:** Okay. So it will take more than 10 minutes, if I understand correctly.

**Some hon. members:** Oh, oh!

**Mr. Denis Lemelin:** I want to thank you for the opportunity to appear before you. CUPW represents 54,000 workers, in both rural and urban communities from coast to coast to coast. A majority of our members work for Canada Post.

I have been to Colombia several times, both as part of my work and for personal reasons. For a number of years now, CUPW has

been working in alliance with the Colombian postal workers union, *Sindicato de Trabajadores Postales de Colombia*, or STPC. We have seen the organization change over the years. We try to assist them in their efforts to maintain decent jobs and a public postal service and to help them self-organize after they lost their jobs as a result of the privatization of their postal service, which was known as Adpostal. The service's disappearance was essentially backed by military and paramilitary groups. We work with the union as it tries to protect workers rights. So we have had a very important relationship with the Colombian postal workers union for a number of years.

During that time, we have of course been concerned by the issue of human rights. In our view, human rights and trade union rights are one and the same. They are a key concern.

We became especially concerned in 2005, when Porfirio Rivas, the president of the STPC at the time, was forced into exile in Canada, more specifically, Quebec, with the support of unions including the *Fédération des travailleurs et travailleuses du Québec*. He had raised concerns about the potential privatization of Adpostal. Since he worked at the mail centre near the airport, he had seen things that made him want to speak out against certain habits that the postal service had in terms of transporting drugs.

He came here in 2005. In August 2006, police surrounded the mail centre near the airport. Workers were escorted out at gun point. It also happened at a number of postal facilities afterwards. An executive order to wind down the national postal corporation, Adpostal, was issued in August 2006. Clearly, many workers lost their jobs—mostly postal workers—in Colombia's large centres, including Bogotá, Cali and Medellín. Only a handful of union members remain.

Having worked with them, it is difficult for us to see the extent to which the Colombian union, which used to have more than 2,000 members, was, in the span of seven or eight years, completely destroyed and virtually wiped off the map through privatization. Not to mention the fact that trade union rights and human rights were seriously destabilized as a result. Currently, the union is trying to recover and reorganize with our help. Today, the postal service in Colombia is run by a numbered company, and we do not necessarily know what that means. The private sector has grown significantly. In our view, this disappearance is a flagrant example of what is happening to workers in Colombia.

So that has been the nature of our relationship with them. That being said, it is important to note that the situation in Colombia does not just affect our relationship with the STPC, but also Colombia's international standing. In addition, the International Trade Union Confederation (ITUC), which brings together 145 million workers worldwide, has repeatedly voiced its opinion on human rights and the situation in Colombia.

I would like to quote one or two examples from a survey prepared by ITUC.

There are a number of legal impediments to the full exercise of freedom of association in Colombia, however, such as Resolution no. 626 of February 2008, which gives as one of the reasons for denying registration "that the trade union organisation was formed for purposes other than those derived from the fundamental right of association".

●(1550)

That is extremely important. A freedom is supposedly guaranteed, but, at the same time, it is being restricted by conditions that you are probably already familiar with—paramilitary groups, guerrilla groups such as FARC and so forth. Very quickly, workers are associated with these groups and targeted.

There are many problems in Colombia related to various contractual arrangements. There, they talk about workers' cooperatives, which are not the same as those we have here. They talk about service contracts, and civil and commercial contracts, which are mock employment contracts. They are not genuine collective agreements, but agreements with intermediary groups in Colombia that act as intermediaries for labour. Companies deal directly with those organizations rather than with unions.

In reality, what we are seeing is that free collective bargaining is elusive in Colombia, and that is what the International Trade Union Confederation pointed out in its report.

Colombian legislation has introduced a principle of discrimination against the jobs and collective bargaining rights of public sector workers, by classifying them as "official workers" ("trabajadores oficiales") or "civil servants" ("empleados publicos"). The unions representing public sector workers are not allowed to put forward demands or sign collective agreements [...]

The only right they have is to submit "respectful requests" to their employer. ITUC's report goes on to say:

Barely 1.2% of workers in Colombia are covered by a collective agreement. In 2008 only 473 agreements were signed, of which 256 were collective agreements negotiated with the unions and 217 were pacts [...]

We are seeing a steady drop in union organization, and that is an ongoing reality. We know that over the past 15 to 20 years in Colombia, more than 2,000 union leaders have been assassinated on various occasions by various groups. In 2009, 45 trade unionists were murdered. It is obvious that these assassinations—everyone will understand—were intended as a show of power, the power of paramilitary groups. They were intended to send trade unionists a message: stay home, do not move, do not organize because you will be targeted—which happened to STPC leaders.

In 2005, the Uribe government adopted the Law on Justice and Peace—which you have most likely heard of—which was designed to promote reconciliation and the fight against impunity. The term "impunity" is key here. Murders take place regularly but these situations are never really identified. In its report, ITUC notes the shortcomings of the Law on Justice and Peace. I will quote one or two examples.

It is only applicable to the few members of illegal armed groups that are under investigation or have already been sentenced. Given the high level of impunity, most of the paramilitaries and members of guerrilla groups are not subjected to any investigations.

The ITUC report also states:

The possibility of combatants enjoying illegally obtained assets is seriously affecting the victims' rights to compensation.

That is when action was taken. Keep in mind that more than 4 million people have been displaced in Colombia—as you probably know—and their displacement is a direct result of situations experienced by trade unionists. Former combatants can return and re-engage in the same paramilitary activities as before. We prepared a document entitled *Forever Solidarity*.

In July 2008, I went to Colombia with three other trade union leaders from the public sector, representing more than one million workers across the country—the Canadian Union of Public Employees, the Public Service Alliance of Canada and the provincial workers union—to see what was happening in Colombia as various activities had been organized. We went to Colombia just after the commission, which prepared a report that you are probably familiar with.

We attended the Permanent People's Tribunal, known as the Bertrand-Russell Tribunal to some of you, and we attended a few of the plenary sessions, in the country and in Bogotá.

●(1555)

The tribunal identified three things in its report.

Colombia is an economic laboratory which has resulted in deaths, disappearances, millions of displaced people, the destruction of the environment, a severe weakening of the trade union movement and the discounted sell-off of the country to multinationals.

The Government of Colombia's democratic security doctrine has paved the way for mass exploitation.

The people who fight for human rights in Colombia are very vulnerable.

The Permanent People's Tribunal is made up of prominent international figures, including a Nobel Peace Prize laureate. They came to a verdict after a two-year process.

The document—which you will probably have the chance to read—talks about certain free-trade ties between the Canadian government.... At the end of our report, we made several recommendations specifically having to do with an independent investigation, by an independent organization. We also recommended that the government examine a number of issues before moving ahead with a free-trade agreement with Colombia.

In our view, there is no real difference between today, 2010, and 2008, given that a mass grave containing 2,000 bodies was just discovered near a military base in the town of La Macarena, Colombia, which I am sure everyone has heard about.

There are three recommendations that we want to make to the committee. I will read them to you, and then we can discuss them.

We believe that a human rights impact assessment should take place prior to the implementation of the agreement. This is in order to obtain a clear assessment of the human rights situation in Colombia as it exists today and within its historical context. Such an assessment would provide a baseline for future assessments and would allow a clearer determination as to whether closer engagement and economic growth would have a positive impact on human rights.

We believe that such an assessment should be undertaken by impartial and credible parties. The assessment should not be undertaken by the Colombian government. It is not acceptable that government officials who are committed to this deal or who have a responsibility to oversee human rights in Colombia should undertake this assessment.

We believe—if ever things move forward—any amendment must include specific and concrete steps to address any human rights problem or issue that comes to light as a result of a human rights impact assessment. Without those specific and concrete redress mechanisms in place, the proposed annual assessment—in the form of either an amendment or an addition to the agreement—must be put forward. So there needs to be options, but we think the first step is the independent investigation.

Thank you for listening.

• (1600)

[English]

**The Chair:** Thank you.

Next is Mark Rowlinson.

**Mr. Mark Rowlinson (Labour Lawyer, Canadian Association of Labour Lawyers):** Thank you very much.

I hope you can hear me. My name is Mark Rowlinson. I'm counsel to United Steelworkers, but I'm also a member of the international labour rights committee of the Canadian Association of Labour Lawyers, on whose behalf I appear before you this afternoon.

The Canadian Association of Labour Lawyers is an association of over 350 progressive lawyers who represent workers, trade unions, professionals in other associations in a wide range of legal matters across Canada. Over the last 15 years, CALL has been actively working to promote labour rights in the Americas, and we have been an active participant in the litigation and consultation processes set up under the labour side agreements first of NAFTA.

CALL last appeared before this same committee on this same issue—that is to say, Canada-Colombia free trade—in the spring of 2008, during the hearings that led to this committee's June 2008 report entitled *Human Rights, the Environment and Free Trade with Colombia*. I have a copy here, and I'm sure you're all well familiar with it.

We thank the committee for giving us an opportunity to testify again, now that we have a copy of the proposed trade agreements and the implementing legislation. My presentation today will consist of three parts.

First, I wish to make a few observations regarding the current labour rights situation in Colombia. Second, I will provide CALL's view on the labour provisions contained in the proposed trade agreements, and in that part, my presentation will be a very much briefer version of the brief that was presented to you, I believe, by Gauri Sreenivasan from CICC at last Thursday's hearings. Finally, I will provide our views on the amendment or addition—proposed by, as I understand it, the Liberal trade critic—that would require, again as I understand it, a human rights update report to be delivered to Parliament on an annual basis in respect of the Canada-Colombia free trade agreement.

First, I have a few recent observations regarding labour rights violations in Colombia. Violations of fundamental labour rights and violence committed against unionized workers are obviously amongst Colombia's foremost human rights challenges. To this day, Colombia remains the most dangerous place in the world to be a

trade unionist, accounting for a majority of the murders of trade unionists around the world.

According to the latest figures provided by Colombia's National Labour School, since 1986 there have been 2,789 trade unionists murdered in Colombia. While there has undeniably been a decline in that murder rate since 2001, the decline has ended in recent years. In 2007, Colombia's National Labour School reported that 39 trade unionists were murdered. In 2008, 49 murders were reported, an increase of 18%; and just recently it was reported that in 2009, 47 trade unionists were murdered—essentially the same figure as 2008. In other words, while there was a precipitous decline in the middle part of this first decade of the new century, that decline has ended.

I know that you've heard from the Colombian government, which suggested that last year only 28 trade unionists were murdered. From our perspective, it doesn't really matter whether it's 28 or 48. The reality is that it's still far too many. And the reality is that more trade unionists are murdered in Colombia than anywhere else on this continent.

The 2009 figures are especially concerning, given that in 2008 the government began showcasing improvements in the human rights situation to counter opposition to both the U.S.-Colombia FTA and the Canada-Colombia FTA. It is obviously the case that murder and the threat of murder will have a chilling effect on trade union activity in Colombia. The question this committee has to ask is that if workers fear for their lives when deciding to exercise fundamental labour rights, how can they can effectively share in the potential benefits of trade?

Importantly, it continues to be the case that impunity rates for these labour rights violations remain largely unchanged, with a 3% conviction rate. This level of impunity creates very little incentive for perpetrators to cease their actions. Furthermore, trade union density in Colombia also continues to fall. I know that this committee has heard different accounts of trade union density statistics in Colombia. Again, the National Labour School recently reported that in 2009, trade union density rates were around 4.2%. Again, they continue to fall. They're down from 13.5% from 20 or 30 years ago.

President Uribe argues that his administration has taken extraordinary steps to counter the violence against trade unionists, devoting new resources, including judges to address labour cases as well as additional funding to the attorney general's office for investigation and prosecution.

•(1605)

Such resources are of course appreciated, but the abuses and persecution of trade unionists and human rights defenders persist. As an organization of labour lawyers, CALL is very concerned about the protection of human rights defenders in Colombia who are faced with regular threats and intimidation. Indeed, in the March 2010 report on the human rights situation in Colombia, the UN High Commissioner for Human Rights reported that in 2009 there was actually an increase in intimidation and death threats against human rights defenders and social and community leaders, as well as against members of marginalized groups.

In short, in our view, the labour rights and human rights situation in Colombia remains dire. It was still the case again in 2009 that 60% of the trade unionists killed in the Americas were killed in Colombia.

The question then becomes whether there is anything in the Canada-Colombia trade agreement that is going to address these labour rights violations.

It's been our experience that trade agreements are not written to improve labour standards, and there is, frankly, little evidence that such agreements can become vehicles for the enforcement of labour rights. On the contrary, the market access and investor rights provisions of the text of the agreement could serve to increase the rate of labour rights violations because of the structural impediments to union freedoms in Colombia and the gap between legislation and practice in Colombian society.

The labour provisions found in the Canada-Colombia FTA generally follow the pattern that we see in existing hemispheric trade agreements, specifically the NAFTA labour side agreement, the Canada-Costa Rica FTA, and most recently the Canada-Peru FTA. There is a general consensus among the trade union movements in both Canada and Colombia that the protections found in these trade agreements negotiated thus far have left much to be desired. The enforcement provisions are generally weak and ineffective, and the agreements tend to focus on the enforcement of existing statutes rather than on raising labour standards.

I want to make this point: if you look at the labour rights situation in Mexico since the NAFTA labour rights agreement was entered into, it has arguably become worse. We have close relationships with the Mexican trade union movement, and the reality is that NAFTA has done nothing to improve trade union rights in Mexico. In fact, they're presently in a worse crisis than they have ever had, so there's no evidence that the NAFTA labour side agreement has led to improvements in labour rights in Mexico. The experience has been the opposite, and there is no reason to believe that this agreement with Colombia would not have the same effect.

The Canada-Colombia FTA provisions represent an evolution of—and, I will concede, an improvement over—the existing NAFTA labour side agreement. Article 1 of the labour side agreement affirms that each party shall ensure that its laws provide protection for the internationally recognized labour principles contained in the 1998 ILO declaration, together with the ILO's decent work agenda. As such, this article contains greater substantive labour rights than those found in the NAFTA labour side agreement. However, article 2 of

the Canada-Colombia labour side agreement, the non-derogation clause, only prohibits the violation of ILO standards when it can be demonstrated that the violation was done to encourage trade or investment. This is an arguable limitation on the substantive obligations of the parties.

Where the agreement becomes particularly problematic, of course....

Should I speak more slowly?

•(1610)

[*Translation*]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):**

Could I ask you to speak more slowly? We have much the same problem now as we have with the simultaneous translation from French to English.

[*English*]

**The Chair:** We tried that with the last speaker, and it went to 14 minutes. We're not going to let that happen again.

I'll leave it to you.

**Mr. Mark Rowlinson:** I'll limit my comments.

I just want to pick up by highlighting the weaknesses of the enforcement provision in the Canada-Colombia labour side agreement. The particular weakness that I want to focus upon is the fact that, once again, enforcement is left up to the signatory states and the signatory bureaucracies that are assigned the task of enforcing the labour rights.

That is to say, unlike in the investment provisions, the offended parties, whether that be workers, trade unions, or human rights organizations, have no ability whatsoever to advance these cases to a dispute resolution panel on their own. All of the enforcement takes place through the states themselves. The result of that, in our experience under existing agreements, is that you never get to the dispute resolution mechanism so you never get a remedy. Nothing, frankly, ever happens when these complaints are filed.

The other substantial failing, of course, is that there is a profound limitation on the remedies that are provided. Even if you were to get to a dispute resolution panel—namely, a fine in the amount of \$15 million—and the payment of that fine...into essentially a labour fund; that's essentially how the agreement works.

Again, this committee has to ask itself whether or not a \$15 million fine is a substantial enough penalty and remedy to seriously deter labour rights violators in Colombia, given the history of violence and appalling labour rights violations. In our respectful submission, that sort of fine is not sufficient.

Again, I urge you to compare the labour rights provision with the investor rights provisions. The investor rights provisions, in article 8, provide an enforceable arbitration mechanism that is effective, independent, and rapid. The awards are final and binding, and they provide real remedies to investors whose rights may be violated in the agreement. Again, the contrast is stark.

In our view, because this agreement contains no real trade sanctions such as the imposition of countervailing duties or the abrogation of preferential trade status in the event that a party fails to adhere to the labour rights provisions, and given the magnitude of the labour rights violations in Colombia and the failure of the current government to prosecute the offenders, we submit that simply issuing fines against the offending government is not an acceptable sanction. Moreover, it will provide no incentive for the Colombian administration to address the current crisis and bring an end to the violent assassination of Colombian trade unionists.

In general, experience suggests that the labour provisions in trade agreements, whether in side agreements or not, are unlikely to lead to concrete improvements for workers and trade unions. In our view, the labour rights provisions in the Canada-Colombia FTA are not sufficiently robust to even begin to address the serious labour and human rights situation in Colombia.

Finally, I want to take you back a little bit to the report that this committee produced in June 2008, entitled *Human Rights, the Environment and Free Trade with Colombia*, when it was considering the potential impact of the Canada-Colombia agreement. The report made several good recommendations unanimously, including the following recommendations.

4: The Committee recommends that an independent, impartial, and comprehensive human rights impact assessment should be carried out by a competent body, which is subject to levels of independent scrutiny and validation; the recommendations of this assessment should be addressed before Canada considers signing, ratifying and implementing an agreement with Colombia.

That was the recommendation of this committee in June 2008.

The Liberal trade critic has proposed an additional text, an amendment. I'm not exactly sure of the exact content of this proposal, but it was read into the record, and what was read into the record reads as follows.

The Minister shall cause to be laid before each House of Parliament by March 31 of each year or, if that House is not then sitting, on any of the thirty days next thereafter that it is sitting, a report of operations for the previous calendar year, containing a general summary of all actions taken under the authority of this Act, and an analysis of the impact of these actions on human rights in Canada and Colombia.

It is, in our view, undeniable that the amendment or addition to Bill C-2 proposed by the Liberal trade critic utterly fails to comply with the recommendation that this very committee had adopted in June 2008.

It utterly fails in at least three ways.

First, the recommendation of the committee was that the human rights impact assessment be carried out before Canada considers signing, ratifying, or implementing an agreement with Colombia. The proposal currently before this committee, of course, is that the reports be produced after the agreement is already signed and ratified.

• (1615)

Second, the recommendation of this committee was that the assessment would be independent, impartial, and subject to levels of independent scrutiny. The proposal now before this committee and under Bill C-2 is that the human rights reports would be prepared and submitted by the signatory governments themselves. Although

there is not total clarity on who exactly is going to prepare these reports, in our opinion, the proposed human rights reports are not independent in any sense of the term as contemplated in this committee's June 2008 report.

Third, and most importantly, it was clearly the case that unless the recommendations in this committee's report were satisfied, then Canada should not implement a free trade agreement with Colombia. That is to say, if the conditions of the report were not satisfied, there would be real consequences. However, the amendment currently proposed by the Liberal trade critic has no consequences whatsoever, or that I am aware of, if in fact it emerges that the human, environmental, and labour rights situation in Colombia fails to improve, or in fact gets worse, once the Canada-Colombia FTA is signed. As such, without any penalty or enforcement provision at all, it is unclear to us if the amendment to the legislation has any real benefit. Rather, it seems to us that the additional paragraph is, frankly, window dressing.

In our view, the situation on the ground in Colombia has not changed substantially since June 2008. Therefore, we fail to see the basis upon which this committee would simply abandon the recommendations made in June 2008 and advance and recommend the implementation of this trade agreement.

Thank you very much.

**The Chair:** That's fifteen and a half minutes, Mr. Rowlinson. We'll recall that next time you're invited, if you are.

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Chairman, may I, sir?

**The Chair:** Yes.

**Mr. John Cannis:** Did our guest exceed the time, sir, if I may ask?

**The Chair:** Yes.

**Mr. John Cannis:** Well, Mr. Chair, I would beg the...

When we come here as a committee, in fairness to all the members—unless somebody else objects—there are questions we would like to ask, too. I would ask whoever the next speaker is to stick right to the time, sir. I have other work to do too. If I'm coming here to just sit and listen and not ask questions, then I might as well stay out.

Sorry, I'm just trying to be polite.

**Mr. Mark Rowlinson:** I apologize. I'm sorry.

**Mr. John Cannis:** I accept that...*[Inaudible—Editor]*

**The Chair:** Well, I'm sorry, but I have to accept Mr. Cannis...

I mean, I made it quite clear: it was 10 minutes. The previous speaker went 14. I was upset by that. We let it go. Then you went fifteen and a half. I think it's rude, and abusive of the committee.

Our point is made.

**Mr. John Cannis:** I apologize, Mr. Chair.

**The Chair:** I wasn't talking about you.

Mr. Westcott, 10 minutes, please.

**Mr. Jan Westcott (President and Chief Executive Officer, Spirits Canada / Association of Canadian Distillers):** Thank you, Mr. Chair, and members of the committee.

Spirits Canada is the only national trade association representing the interests of Canadian spirits manufacturers and marketers, and we appreciate the opportunity to appear before you today to share our views.

Let me start my comments with a very strong endorsement on behalf of our member companies for an FTA between Canada and Colombia. Canadian spirits manufacturers are found right across Canada—from Lethbridge, Calgary, and High River in Alberta to Gimli in Manitoba; Amherstburg, Brampton, Collingwood, Grimsby, and Windsor in Ontario; and LaSalle, Montreal, and Valleyfield in Quebec. Our world-renowned producers buy local grains, such as rye and corn, and transform them into highly prized spirits that are enjoyed by adults around the world.

We are, however, currently navigating very difficult circumstances. The near implosion of the American consumer market, for example, has had and is having a devastating impact on our local operations. The realized value of our exports to the U.S. in 2008 was nearly \$55 million less than in the preceding year. With Canadian spirits producers exporting nearly seven of every ten bottles they make each year, exports are critical to the fiscal health of the Canadian spirits industry.

So it is critical that we do what we can to further diversify our export base. While it is true that Colombia is not a large importer of Canadian spirits today, we believe it has future potential. In terms of overall spirits consumption, Colombia represents about the same volume potential as Mexico does to Canada—it exports over \$1.5 million every year.

A number of years ago, several of our member companies identified Colombia as a potential new export opportunity, but one whose associated investment was not warranted without first achieving some changes in their beverage alcohol regulatory framework. Working closely with Canadian trade officials, we identified three key areas of market access improvement that would be needed for Canadian spirits, principally Canadian whisky—our signature product—and vodka to be competitive in Colombia. Those were recognition and protection of Canadian whisky and Canadian rye whisky as distinctive products, early elimination of Colombia's punitive 20% import customs tariff on spirits, and reform of Colombia's internal beverage alcohol taxation regime.

Allow me to very briefly explain the value and benefit and in fact the necessity of these elements. Formal recognition and protection for Canadian whisky provides security of investment, with such protection guaranteed by the Colombian federal government. That would be effective immediately upon ratification. That kind of protection affords Canadian whisky brand owners the confidence to invest in developing the Colombian market secure in the knowledge that they are not going to be abused by knockoff and counterfeit products that are going to trade on the established reputation of Canadian whisky.

At 20%, Colombia's current import customs tariffs effectively render most Canadian spirits uncompetitive in the local market. By

comparison, Canada eliminated its import tariffs on whiskies many years ago and imposes only modest import tariffs on vodka, gin, and rum, ranging from 5¢ to a little over 12¢ per litre of absolute alcohol. What this means is that a typical bottle of Canadian whisky entering Colombia would be subject to an import tariff of over \$1.00 a bottle, while spirits entering Canada would only be subject to an import tariff of between 10¢ and 25¢.

It is also our contention that Colombia's internal tax structure for beverage alcohol is constructed in such a manner as to afford protection to its local producers in breach of its international trade obligations under the WTO.

By way of example, Colombia imposes a substantially higher tax rate on spirits with an alcohol content greater than 35% by volume. By law, all Canadian whiskies and most other internationally traded spirits must be bottled at a minimum alcohol strength of 40%, while by practice most local Colombian spirits are bottled at just under the 35% threshold.

We are pleased that Canadian negotiators were very successful in achieving each of these three objectives in the agreement with Colombia. Article 212 of the agreement formally recognizes and protects Canadian whisky and Canadian rye whisky as distinctive products of Canada.

The agreement also requires Colombia to eliminate its customs tariffs for Canadian whisky and Canadian-made vodkas, the industry's two primary interests, within 12 years of coming into force, with an accelerated provision should the U.S.-Colombia FTA be ratified within two years. Clearly a quicker elimination would have been preferred, but given the time that it takes to build brands in a marketplace, a 12-year phase-out is acceptable.

• (1620)

Finally, Annex 202 of the agreement also requires that Colombia's measures related to the taxation of all beverages must be fully compliant with the country's national treatment obligations within two years. We are pleased that Canadian trade negotiators were receptive to the industry's interests and priorities and fully delivered on them. As a result, Canadian spirits manufacturers support the FTA text as negotiated as a net benefit for Canadian producers.

Thank you very much.

**The Chair:** Thank you, Mr. Westcott.

Mr. Hélie, were you going to add comments? No? Fine.

Thank you for your brevity.

We're going to begin questions on this side today, with vice-chair Mr. Cannis.

**Mr. John Cannis:** Thank you, sir.

To Mr. Rowlinson, you said that a \$15 million penalty is not enough. Can you tell us what would be enough?

And I need quick answers, because of time.

• (1625)

**Mr. Mark Rowlinson:** I've already been sanctioned for being overly long.

My view is that you need a wide variety of different penalties. Monetary fines are one avenue—

**Mr. John Cannis:** Can you give us what is enough?

**Mr. Mark Rowlinson:** I can't tell you what is enough.

**Mr. John Cannis:** You can't: so you never thought about it. You're just saying \$15 million is not enough. So then if it's \$20 million or \$30 million, it would not be enough, I guess.

**Mr. Mark Rowlinson:** My view is that at a minimum you need a provision that would provide for the abrogation of the trade agreement if in fact it turned out that Colombia was not complying with its obligations. That would be my view of an appropriate remedy—

**Mr. John Cannis:** Okay.

Mr. Rowlinson, can I ask you a question? Is there any free trade agreement that you've ever supported?

**Mr. Mark Rowlinson:** The Canadian Association of Labour Lawyers has absolutely no position on trade agreements.

**Mr. John Cannis:** But you're not supporting this agreement.

**Mr. Mark Rowlinson:** Correct. We—

**Mr. John Cannis:** I'll put it this way: is there any trade agreement that you've spoken in favour of?

**Mr. Mark Rowlinson:** Again, we have no position on trade agreements—

**Mr. John Cannis:** But you have spoken against this trade agreement. Is there any agreement that you've spoken in favour of?

**Mr. Mark Rowlinson:** Our position relates specifically to the labour provisions in trade agreements.

**Mr. John Cannis:** Okay.

Mr. Westcott, do you have unions in your company?

**Mr. Jan Westcott:** Yes.

**Mr. John Cannis:** Then what you are saying to us, sir, is that by not moving forward on this agreement, you would in essence be hindering the ability of your workers, union or not, to continue earning their living. Would that be the case, sir?

**Mr. Jan Westcott:** Yes.

**Mr. John Cannis:** Thank you.

I have just some examples. We had visiting with us the Minister of Foreign Affairs of Colombia, Adriana Mejia. She gave us some examples of things they have done that really impressed us, and it

wasn't just a matter of dealing with their local institutions. I will give you one example with children, children in armed conflicts.

In December 2008, Colombia voluntarily accepted the implementation of the moratorium and reporting mechanism—and I underline, Mr. Chairman, through you—in the UN Security Council Resolution 1612. So they are not just dealing within their own esoteric organizations. I think that proves that they are working with international organizations.

I read an article the other day, Mr. Chairman, that I'd be glad to pass around. We were told by the Minister of International Trade, who was with us last week, that FARC is really engaged now. They are the biggest drug cartel in the world. The other day, coincidentally, I read in the paper, about FARC, that “Colombian rebels kill five soldiers in coca field”:

Colombian FARC rebels killed five soldiers after attacking them with explosives near the border with Ecuador while troops were eradicating illegal coca crops used to make cocaine....

We know that drugs are part of a major problem, and this government, we have been told by various representatives, is trying to eliminate them. So I don't know who FARC is working for.

I'm going to close with this, because I'm going to pass the rest of my time over to my colleague Scott Brison.

When it comes to displaced people, in 2008 there were almost half a million people displaced. They're down to 114,000, if I may say so. Concerning kidnappings, in 2002 there were about 2,900; they're down to 213, Mr. Chairman, for the record. Homicides in 2002 were close to 29,000. They're down to 15,000.

I agree with the statement that was made earlier, that one is one too many. We say in Canada, too, that one homicide is one too many.

I'm going to stop here, sir. But what the statistics show is that they are making a concentrated effort, and I believe that the amendment of the proposal of my colleague, Scott Brison, is one good step toward trying to resolve it.

I'll close with that, sir, and share my time with Mr. Brison.

**Hon. Scott Brison (Kings—Hants, Lib.):** Thank you, Mr. Chairman.

Thank you to each of you for joining us today.

Monsieur Lemelin, the materials that you provided us quote a senator in Colombia, Senator Alexander López, who is a member of the Polo party, and he says: “We don't believe in free trade, period. It's simply a bad way to develop healthy relations between two nations.” He goes further and says, “Free trade is a new form of colonization and Polo rejects it.”

The Polo party in the recent legislative elections in Colombia at the Senate level garnered 7.6% of the popular vote and at the Congressional level garnered 5.9%, and in two recent polls in the presidential election the Polo party has about 5% of the support. All of the other political parties in Colombia in these elections support free trade and these FTAs.

Don't you find it a little culturally condescending to tell 95% of Colombians that what they want in terms of a free trade agreement is somehow bad for them?

• (1630)

**Mr. Denis Lemelin:** Sir, I can address that issue. I think everybody around the table here agrees that one of the most important things, when we're talking about trade, is fair trade. In some ways it depends. Your colleague talked about 213,000 people displaced, but the record is more than 4 million, and that's internationally. The displaced people are coming from the places that these people talked about—

**Hon. Scott Brison:** On displaced people, we have reports from the UN High Commissioner for Human Rights that say most of the activity in terms of displacement are a result of the drug trade. They say that in many cases guerrilla groups—organizations like FARC, as an example—are responsible for this displacement in Colombia.

**Mr. Denis Lemelin:** Did you ever go to the Chocó, which is the northwestern part of Colombia, where they have the *palma africana*? It's not the FARC who is there; it's paramilitaries. Did you ever go to Cauca—

**Hon. Scott Brison:** What about the attack on labour leaders by the FARC? Have you commented on the attack on labour leaders by the FARC?

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** On a point of order, Mr. Chair, if Mr. Brison's asking questions, he should at least have the respect to allow the witness to answer.

**The Chair:** That's not a point of order. Maybe we're not going to get any answers.

Mr. Brison has the floor.

**Hon. Scott Brison:** I'm asking this question: have you commented on some of the violence against labour leaders by the FARC?

**Mr. Denis Lemelin:** Against labour leaders? Yes. I think the position of our union has always been that we want peace and we're against violence. That's always been our position.

**Hon. Scott Brison:** So you've taken a position against the FARC?

**Mr. Denis Lemelin:** We haven't. It's internal policy of Colombia. We have a partnership with a union there, and this partnership is to develop the people—

**Hon. Scott Brison:** What about the Chávez administration that's harbouring the violent guerrillas, the FARC? Have you commented on Venezuela on this?

**Mr. Denis Lemelin:** I think people have to be clear. It's always been the orientation of our union to put forward the idea that peace is one of the most important things. We don't go...we develop relations with other unions all over the world to support them in doing their work. For us, one of the most important parts of that work is for people to live in peace, and that's what we're doing.

**Hon. Scott Brison:** Let me ask you a question.

Your union is the Canadian Union of Postal Workers. When I talk to postal workers in my riding, they often speak to me about issues around rural delivery. They speak to me about keeping rural post offices open. They rarely speak to me about the FTA with Colombia.

In fact, I've never had one of my postal workers come to me and say, "Boycott Israel", yet your organization takes positions. As a national organization, for instance, you've appeared in front of parliamentary committees to seek boycotts of Israel, which has absolutely nothing to do with the interests of your workers.

In Colombia a large number of the private sector unions actually support this FTA. I'm curious as to what your interest is in this, if it's anything but an ideological aversion and opposition to all free trade agreements.

**Mr. Denis Lemelin:** Sir, it's easy to send out this kind of attack, but in rebuttal to you around that issue, I can say that I'm sure—

**Hon. Scott Brison:** I'm just defending your members.

**Mr. Denis Lemelin:**—some of our members talk about the issue. As a union, we think what's happening in the postal sector is global. When it's global, I think every union and every president of a union has a right to say what is the best way to change.

Our position around the issue of Israel and around the issue of Colombia has always been that we use peace action. That's what we did with the BDS on Israel. That's what we're doing in Colombia.

The only thing we're saying is that before implementation of a free trade agreement between Canada and Colombia, there must be a fair human rights assessment. That's the only thing we're saying around that issue.

**Hon. Scott Brison:** Mr. Rowlinson, on human rights impact assessment, doing a human rights impact assessment of an agreement that does not yet exist is actually extremely difficult. To try to predict what the effect of an agreement that is notional, that hasn't been ratified yet, would be on human rights is very difficult. However, doing an annual impact assessment....

In fact, I won't go through the entire written agreement, but will go back to the testimony, before the committee, of Minister Plata. He read into the record what procedure would be required on an annual basis, where both the Colombian and Canadian governments would be responsible for the writings of reports that would be submitted to both parliaments and subject to scrutiny by civil society at committees like this. Having an annual vehicle through which to evaluate the human rights impact assessment of an actual—not a notional—agreement will provide this Parliament and civil society organizations an opportunity to continue the dialogue on human rights, to evaluate clearly the impact of human rights over the long term.

I would gladly meet with you. You said this is window dressing, but we've never met and we've never had an opportunity to go through, in a granular way, the full details of the agreement, but I would gladly do that. I would gladly meet with you anytime. I know it's difficult in terms of the committee because we don't have a lot of time to go through all of these. But I think all members of this committee want to see the advancement and strengthening of human rights in Colombia. The only reason we're talking about Colombian human rights at this committee is because there's a free trade agreement on the table that is bringing this discussion forward, which in fact helps demonstrate that economic engagement can help fortify human rights engagement. But our goal is to ensure, on an ongoing basis, that this continues to be the case, that the human rights discussion doesn't stop once the agreement is signed.

You said, "What happens if human rights worsen?" There's a six-month cancellation clause on this agreement that can be invoked by the Canadian government. On an annual basis, if we find human rights are worsening, and if that is the result of this FTA, that is the kind of scrutiny that Parliament is willing to be subjected to. The cancellation of an FTA is a very significant measure, but it's one that we have at our disposal as part of this agreement.

• (1635)

**The Chair:** Mr. Brison, we'll have to conclude it there.

**A voice:** I'd be happy to meet with you later on that.

**Hon. Scott Brison:** Sir, certainly.

Before you dismiss something as window dressing, I just urge you to get the facts.

**The Chair:** Mr. Laforest.

[Translation]

**Mr. Jean-Yves Laforest:** Good afternoon, everyone.

My first question goes to Mr. Potts.

A little earlier, you said that you felt that it was important for Canada to sign or ratify this free-trade agreement with Colombia in order to move ahead of the United States in reaching business agreements, specifically in your pulse sector. You want it done as quickly as possible because you feel that the United States will be pulling the rug from under Canada's feet if they reach an agreement sooner.

I am sure that you know that the discussions between the United States and Colombia are suspended at the moment. They were at quite an advanced stage. Do you know why they were suspended?

[English]

**Mr. Carl Potts:** Thank you for the question.

My understanding is that the negotiations on the U.S. agreement have been concluded. That agreement needs to be considered by Congress in the U.S.

For us, the biggest benefit of this particular agreement is not so much to get out in front of the U.S. and have a preferential advantage over the U.S., although if we do, that would be great, but it's to ensure that we are able to—

[Translation]

**Mr. Jean-Yves Laforest:** There have been a number of items in the papers about the halt in the procedure. Nothing is moving forward in the United States. The agreement is frozen. You say that they are studying it, but it is more than a discussion or a study. A number of parliamentarians in the United States have commented that the question of human rights in Colombia is far from being settled and is actually getting worse because of all the murders, the displacements and the human rights problems. That is why I asked you the question. Were you aware of that information?

• (1640)

[English]

**Mr. Carl Potts:** We're certainly not experts who can testify from the perspective of human rights. But if you go to the USTR website you can see the agreement that has been negotiated—the tariff structures that have been negotiated within that deal. That is what I've been referring to about the impact on our own sector.

[Translation]

**Mr. Jean-Yves Laforest:** Do you consider that the observance of human rights is an important matter? Do you feel that a country negotiating a free trade agreement with another country should use that agreement to ask the country with which it is being negotiated to comply with human rights in a way that is somewhat similar to the other signatory?

Canada respects human rights, whereas, in Colombia, as we know, there are many violations.

Do you not think that Canada should use its position of strength to demand more progress on human rights from Colombia?

[English]

**Mr. Murad Al-Katib:** With all due respect, we are here representing the view of Canadian farmers on remaining with our market access into a very important market. The issues of human rights have been well documented and presented today. These are certainly issues that as corporately responsible entities we always consider. But the Canadian Special Crops Association, the members involved, and the Canadian farmers we represent have made their views very clear that economic engagement allows us to have influence on those types of issues. Isolationist views will not help Canadian business.

[Translation]

**Mr. Jean-Yves Laforest:** Are you saying that, as an exporter intending to reach a business deal with another country, the issue of human rights does not concern you at all, that it is just about market opportunities, whatever the situation?

Is that what you are telling us?

[English]

**Mr. Murad Al-Katib:** Sir, I want to repeat my comment. My comment was that as corporately and ethically responsible businesses, we care very much about these types of things. Our position is very clear: economic engagement allows dialogue; isolationist views will not allow us to effect any change.

**Voices:** Hear, hear!

[Translation]

**Mr. Jean-Yves Laforest:** Just before I turn to Mr. Lemelin, I would just like to wrap up with you by saying that, although you care very much about those types of things, you did not mention them in your presentation. I find that a little unbalanced.

Mr. Lemelin, I liked your presentation very much, like Mr. Rowlinson's, even though the chair told you that you had exceeded your time. In my view, it is important for us to hear from all sides and to take the time necessary to understand things completely.

Since the hearings on this matter began, witnesses have taken a wide variety of positions. Last week, we even had a trade unionist from Colombia come here to tell us that it is all sweetness and light for union members in Colombia. But after hearing your presentation, Mr. Lemelin, we realize that free collective bargaining, as you said, does not exist. So they came up with a trade unionist who was hand in glove with the government, and was here with the Colombian minister of international trade to boot.

I am going to end my comments by asking you one final question. Do you think that Mr. Brison's position could be effective? He wants a report on the human rights situation a year after the treaty goes into effect.

**Mr. Denis Lemelin:** Knowing Colombia, I would say no.

It is the principle. When you get your hands caught in the works, your arm and body are the next to go. It is not logical to put an agreement in place that says that you will clarify what it means after a year.

My opinion is that you should go with what the committee decided in 2008: an independent inquiry should start independent work. That is our position and I think that it is the best way to avoid getting into unfortunate situations.

**Mr. Jean-Yves Laforest:** That was the committee's unanimous view too.

**Mr. Denis Lemelin:** At the time, yes, it was the committee's unanimous view.

**Mr. Jean-Yves Laforest:** We are certainly wondering about the reasons that have driven the Liberals and the Conservatives to change their minds on such a fundamental question. It really is something to wonder about.

Thank you very much.

Monique, do you want to continue?

• (1645)

**Ms. Monique Guay (Rivière-du-Nord, BQ):** Is there any time left, Mr. Chair?

[English]

**The Chair:** You have two and a half minutes.

[Translation]

**Ms. Monique Guay:** Thank you, that is enough.

I do not think that we should be putting the cart before the horse. I have been to Colombia several times, Mr. Lemelin, and I have seen how things are down there. There is a lot of work to do. The

disappearances are real. If you talk to Colombian people, they will tell you themselves. I do not think we should be doing business just in order to do business. I am fine with free trade, the Bloc Québécois has demonstrated that it is very open to that, but there are rules to be followed.

Mr. Lemelin and Mr. Rowlinson, I would like to hear what you have to say about that. Do you think that a good agreement, properly negotiated in advance, and reflecting the same standards we abide by, would be much more to Canada's advantage than a poor agreement like the one we are studying at the moment? It really is badly done. It was done in haste, full steam ahead, in order to get something in place before the United States, from what these Canadian businesspeople tell us. I think that is a very bad thing and I would like to hear your opinion about it.

**Mr. Denis Lemelin:** For us, it is not a race. For us, trade has fundamental principles. The trade must be between equals. This is the basis of all trade, between individuals and between two countries. Trade is not just about what is profitable, not just about business, but about the impacts on people, on work and on ways of life.

We feel that trade must be based on principles. Clearly, if those principles are not there, things always get difficult because one side is going to profit at the expense of the other. We often talk about an imbalance in this situation today. In that context, if the parties sit down as equals to reach an agreement on the trade and what each party will get out of it, I feel that people will be in favour of the agreement. The discussions between Canada and Colombia could be very interesting. Colombia is very rich in agriculture, mining, and it is very rich socially. The Hispanic culture and the Aboriginal culture are very strong. For us, that is trade between equals.

[English]

**Mr. Mark Rowlinson:** I have two quick observations.

It would absolutely be possible to negotiate a trade agreement with real, enforceable labour rights and real sanctions. For example, the United States has been looking at negotiating trade agreements with actual human rights benchmarks incorporated into the text of the agreements. They have been negotiating trade agreements that have labour rights in the body of the agreement, not as a side agreement. They are looking at negotiating agreements that have real labour rights benchmarks with real penalties. That is the kind of approach, in our respectful submission, that Canada ought to be taking.

On the question of whether we should be moving ahead quickly with the trade agreement, my view is that we should wait to see exactly what takes place in the United States. It's not at all clear to me that the U.S. Congress is going to pass free trade with Colombia. The Democratic Party has historically been opposed to free trade with Colombia, so I do not see the rush for this government at present to move ahead as quickly as it seemingly wishes to do on free trade with Colombia.

**The Chair:** Thank you.

Mr. Julian.

**Mr. Peter Julian:** Thank you very much, Mr. Chair.

I would like to apologize to the witnesses for the rudeness of some of our colleagues around the table.

**Mr. John Cannis:** On a point of order, Mr. Chairman, I think that was uncalled for, given that I chaired a committee when the President of Colombia was here, and the rudeness extraordinaire—I'm usually a very polite guy, but don't test me—from my good friend Peter Julian....

I'm actually disappointed that he's making that comment, and he should withdraw it.

**Mr. Peter Julian:** I don't think that's a point of order, Mr. Chair.

I don't think that's point of order.

**Mr. John Cannis:** Shame on you, then.

**Mr. Peter Julian:** I apologize again on behalf of the rudeness of some of our colleagues around the table.

I want to mention that last week we had a minister from Colombia who spoke for over 20 minutes. I didn't agree with much of what he said, but it was important that he had the opportunity to speak before this committee. The information that all of you brought forward today is very important for this committee.

We have just started hearing from human rights organizations and labour organizations.

In fact, Mr. Lemelin and Mr. Rowlinson, you were the third and fourth presentations we've heard from that.

So it is extremely important, as we go through full and comprehensive hearings, that we hear from people, listen to them, and understand the points of view expressed. That's our role as members of the committee.

We had a representative from the CCIC here a few days ago who spoke to the issue of the Liberal amendment. She said that the proposal lacks credibility, and the damage from a non-credible process is high.

Mr. Lemelin and Mr. Rowlinson, how would you describe the Liberal amendment? To my mind, it's basically a self-reporting mechanism by the Colombian government to itself.

• (1650)

**Mr. Denis Lemelin:** In some ways, we didn't see the full thing around the issue. That's one of the points; we really wanted to see it.

For us, yes, the issue around wanting to develop a trade agreement with someone is that the commercial part is one side. At some point, when we see that the commercial part is not working because it's not equal change on parties, we just say okay...because everybody in the world knows what's happening in Colombia—the issues of unions, the issues of human rights, the issues of labour rights, etc.

In some ways, people are now arriving and saying, okay, we have to adapt; we put something in it. Putting something in it at the last moment, for us, is not the transparent way to look at the issue. Secondly, it's not really a fair debate around this kind of issue. You have to be looking at this issue from the beginning.

So I think we have to reject it and in some ways try another way to develop the agreement.

**Mr. Peter Julian:** Thank you, Mr. Lemelin.

Mr. Rowlinson, in a couple of words, how would you describe the amendment?

**Mr. Mark Rowlinson:** I already described it as window dressing in my submissions, and I won't repeat myself.

I think you need to look at what is enforceable. Are there any benchmarks built into what Mr. Brison is proposing? What are the consequences in the event it should emerge that human rights are not being respected in Colombia? None of that is in this proposal.

**Mr. Peter Julian:** Thank you.

We heard from DFAIT just the other day, before the Colombian government gave its presentation. They said exactly the same thing—I mean, word for word, it was basically DFAIT presenting the Colombian government's presentation.

There was a whole range of things completely excluded, such as the fact that violent forced displacements in Colombia are at record levels and they are higher than anywhere else on earth. They also excluded the scandal around the Colombian secret police.

This is information that has just come out. A journalist, who had her 10-year-old daughter threatened by the Colombian secret police, was quoted as saying, “They called saying they would leave her fingers all over my house, that they would rape her. Sometimes I received 70 threats in one day.” She was considered a threat because she was investigating the murder of a renowned Colombian journalist. She later found out that the threats came from the DAS, the Colombian secret police.

This was evidence that was presented. The DFAIT presentation did not in any way touch on the secret police scandal. We have independent electoral observers saying that fraud and coercion and widespread fear among the Colombian population are all part of the factors that impede free and fair elections in Colombia. Again, that wasn't in the DFAIT presentation at all. Yet, when the DFAIT presentation mirrors what the Colombian government says, we are supposed to accept the idea that an amendment where the Colombian government reports on itself, and the Canadian government rubber stamps it, as being somewhat significant in some way.

Do you think this process is credible in any way? I'd like a very brief answer, because I have questions on our industry proposals.

**Mr. Denis Lemelin:** It's not credible. When you talk to the people on the street in Colombia, they're talking about what the DAS is doing, what the Black Eagles are doing. That's what we hear on the street when we talk with people. I think DFAIT has put a cover on everything.

**Mr. Peter Julian:** Mr. Rowlinson.

**Mr. Mark Rowlinson:** Well, insofar as I'm not sure I'm.... It's unclear to me exactly the extent of Mr. Brison's proposal, but from what I've seen so far, it has no credibility, and I would have no confidence....

I was in Colombia for some time last year. I met with a large number of government officials, including the president and the defence minister. I have no real confidence that the Colombian government will be able to report on itself or to provide objective facts regarding the situation in Colombia.

• (1655)

**Mr. Peter Julian:** Thank you.

To Spirits Canada and Pulse Canada, I've been on the trade committee—I am a senior ranking member now—for six years. We've often heard presentations about how bilateral trade agreements are going to open up new markets. But the statistics are actually showing the contrary.

We signed a trade agreement and implemented it with Costa Rica. We were exporting \$77-million worth of exports at that time. And now, through 2004, 2007, it's at \$73 million. The Canadian exports abroad in Costa Rica, after the signing of the bilateral trade agreement, declined.

The same with Chile; 10 years of decline after implementing the trade agreement.

**An hon. member:** Did you look at the economy?

**Mr. Peter Julian:** In Israel, at the same time....

Our parliamentary secretary doesn't understand what I'm saying. I'll explain it to him later.

The figures show there is an overall decline in exports in every market we have signed a bilateral trade agreement with—a decline in constant dollar export values.

Mr. Keddy is looking at current dollars, and of course it goes up; the inflation rate erodes the purchasing value of that dollar.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** You can't twist numbers.

**Mr. Peter Julian:** But in constant terms, in every single bilateral trade agreement we've signed, we've seen a decline in export value.

So I'd like to hear back from both of you, why this failure? We hear a lot of smoke and mirrors about how these bilateral trade agreements are going to increase Canadian exports, but in every single case they've actually fallen.

What do you think the Canadian government needs to do, aside from the bilateral trade agreements? What are they not doing? I think the issue around Pulse Canada and the lamentable lack of support that this government provides for marketing support and product promotion support is one part of that.

I'd like you to comment on why there's this failure to increase our exports after we sign bilateral trade agreements.

**Mr. Murad Al-Katib:** I'd like to make the first comment.

One of the other roles that I didn't describe is that I am chairing the current small and medium enterprise advisory council for the Department of Foreign Affairs and International Trade. With regional representation of 15 SMEs from across Canada, there is, again, absolute unanimous approval of the agenda to advance free trade agreements in a broad-brush stroke.

**Mr. Peter Julian:** With respect, that wasn't my question, though. Aside from bilateral trade agreements, what do you think we need to be doing?

**An hon. member:** You don't want his answer.

**Mr. Murad Al-Katib:** I will tell you—I just want to answer one part of your question—that if you went out to Canadian businesses, as we are known as successful exporters in every corner of the globe, and talked about the fact that we failed to capitalize on trade agreements, I think you'd find there are many factors that are affecting those statistics.

I think that we have capitalized on those agreements. In the Colombia sense, I can tell you that if we end up in a position where there's a duty change—

**Mr. Peter Julian:** I'm sorry to interrupt, but there has been a decline, a demonstrable decline.

**Mr. Murad Al-Katib:** With all due respect, if I could finish my response, I think it would be....

Go ahead.

**Mr. Peter Julian:** Well, if what you're saying is that there hasn't been a decline, the statistics very clearly show that this is not the case. So if what you're saying is that the money that is currently supplied—

**Mr. Murad Al-Katib:** What has happened with our exports to the U.S. and Mexico after the North American free trade—

**Mr. Peter Julian:** I'm talking about bilateral trade agreements, and that's Costa Rica, Chile, Israel, even the EFTA deal. In all cases, they declined.

If you don't have a comment and you'd like to provide it later, I would like to get Spirits Canada to comment.

**Mr. Murad Al-Katib:** I'd like to pass it on to Spirits Canada.

**Mr. Jan Westcott:** Well, we've been very strong supporters, for decades, of multilateral dealings. The reality is that multilateral dealing, the Doha, is very.... It's not going anywhere. So we can't stand still while other countries are out there negotiating individual agreements and have Canada excluded. They're not all perfect, I grant you that, but we have to do it.

I can't speak for the whole trade community; I represent the spirits industry. Where we have seen opportunities for ourselves we have gone in support of those agreements. If we don't see opportunity, we're not going to spend our time and our resources.

Our view is that these are opportunities. We can take advantage of them. It takes time to build your market presence in countries. It's not—

**Mr. Peter Julian:** What's missing, then? I mean, why would it take 10 years for us to get back to the same level in Chile that we were at before we implemented the agreement? Why would it take that long?

Why, in Costa Rica, now seven, eight years after implementation, are we actually lower in exports than we were before the trade agreement was implemented?

• (1700)

**Mr. Jan Westcott:** I think one of the key things that's taking place is that for a long time Canadian business wasn't looking at those opportunities. I think a lot of things have changed. I think the economy, particularly, is causing Canadian business to look much more aggressively at those. I think you'll see a different performance as we go forward.

**A voice:** I would agree with that comment.

**The Chair:** Thank you.

Mr. Keddy.

**Mr. Gerald Keddy:** Thank you, Mr. Chairman.

Mr. Chairman, please keep an eye on my time. I promised to share my time with Mr. Holder, so give me three minutes and then you can cut me off, not a problem.

I have a couple of very short statements, gentlemen, that need to be made. The first one is that Mr. Westcott, from the Spirits group, is talking about the Doha Round. The reality—and it needs to go on the record—is that the Doha Round has stumbled to a stop and we're not moving it. We're trying to move it. We're doing everything we possibly can in our multilateral negotiations to move it, but while it's stopped we will negotiate and continue to negotiate bilateral agreements. It only makes sense.

I certainly don't agree with anything that the NDP has said about trade going down. Every statistic I've ever read shows that trade actually goes up.

My second statement is that far be it from me to be Mr. Brison's advocate—he can do that himself—but certainly we on the government side welcome the amendment and support it. It has enabled us to get this moving, where we were stopped before.

Very quickly, to Mr. Al-Katib.... Oh, he's not here.

Okay. Well, we have Mr. Potts here.

We're trading now at a 15% deficit. We're paying 15¢ on every dollar that we make, and we're still trading with Colombia. Especially in the lentils and in the pulses, where we're supplying a healthy, nutritious, cheaper food than is available in Colombia now, how can that be bad for human rights? Just give a very quick answer; I have one more quick question.

**Mr. Carl Potts:** The biggest issue for us is having that level playing field, facing the same tariffs and import duties as all our competitors. That is the key reason why we're supporting this particular agreement.

With respect to access to food, not only in Colombia but in a lot of the markets we sell to, our products are consumed by the poorest section of the population. Trade deals that reduce import duties that lower costs and the cost of food for people in those countries is one of the key reasons why importers, as Mr. Al-Katib quoted earlier, are supportive of these agreements.

**Mr. Gerald Keddy:** Thank you.

Mr. Lemelin, I listened very closely to what you were saying and yet you've got to help me out, because part of what you were saying I can't rationalize.

You quoted that the union had no involvement—and you were certainly not encouraging involvement—in internal Colombian affairs, but you're making statements about internal Colombian affairs. Certainly...and in no way, shape, or form misrepresent what I'm saying to think that we're supporting any type of government or sponsored or paramilitary attack against union members or union memberships. So let's be clear there.

However, you've singled out the paramilitary groups, and the government has admitted that the paramilitary groups are a problem. They certainly say that. They're the first people to say it. But you totally ignored Mr. Brison's question on the narco-traffic, and the socialists in FARC in the jungle, who have an armed insurrection, an armed insurrection against the Colombian government.

So how can you single one out as displacing people when both the socialists FARC and the narco-traffickers—or all three, with the paramilitaries—are guilty of that? How can you single one out?

**Mr. Denis Lemelin:** I didn't do that. Look at our paper that we presented about solidarity. We met with every group. We met with workers, we met with aboriginals, we met with the government, we met with human rights, we met with the Polo, we met with the groups—

• (1705)

**Mr. Gerald Keddy:** And none of them had a problem with FARC in the jungle?

**Mr. Denis Lemelin:** No, everybody understands that the people of Colombia, they want peace. Everybody understands that. Everybody understands there's a different group active. I think for us, the most important thing to be okay is that—human rights for people, so that people are not killed with the impunity that's happening all over that country. One way to deal with that is to have human rights be well respected and to have liberal rights be well respected.

That's the only thing we are saying. You know there will be an election in Colombia at the end of the month. We don't take part in that, because the people of Colombia will decide what they want to do. That's the only thing we're saying.

**Mr. Gerald Keddy:** So you are in agreement that the socialists FARC in the jungle with an armed insurrection are displacing people in Colombia.

**Mr. Denis Lemelin:** Yes, and you can go in the east part in Venezuela; that's where the paramilitary are. But in other parts of the country, it's the paramilitaries of the other groups who are doing it. So they can be all involved in it. Yes, you are right on that.

**The Chair:** Thank you, Mr. Keddy.

Mr. Holder, you have five minutes.

**Mr. Ed Holder (London West, CPC):** Thank you, Chair.

I'd like to thank our guests for their important testimony. I'd also like to acknowledge that Mr. Keddy is quite correct that we already do \$1.35 billion in two-way trade. We're really establishing a rules-based system with effective labour environment side agreements.

Mr. Rowlinson, I appreciate your acknowledgment that the labour side agreement is better—or greater and substantive, to quote you. So thank you for that, which we'll now enter into your testimony.

It's rather interesting that since President Uribe came into power in 2001—and again, let's not be lost in this—murders have been reduced by half, kidnappings by 85%, and union leader murders by 86%. These are from independent groups. And labour union numbers have increased dramatically, as has participation within unions.

I agree, in terms of what I sense from all the testimony here today, that we're all trying to do the right thing by Colombia—and, by the way, lest we forget, for Canada as well. I think that's very compelling. You can always look at the glass as being half one way or half another. I tend to be more optimistic and think that free trade agreements allow us the opportunity to have a better dialogue with our neighbours.

When I was looking at the total imports and exports of Israel, I noted that when you combine the two-way trade, it's up over the last five years. When I look at the total trade of Costa Rica and China, we're marginally up in Costa Rica. When I look at Chile, it's rather interesting that five years ago our total exports were \$417 million and they're now \$644 million.

That's from the Library of Parliament, if anyone wants to challenge those statistics.

**Mr. Peter Julian:** [*Inaudible—Editor*]

**Mr. Ed Holder:** This is my discussion; sorry. You'll have your time again some day.

I was very moved by Mr. Al-Katib's comments—Mr. Potts, please take this back to him—that pulse helps build civil society. I think there's a human obligation we have around this table to support initiatives that do that very thing.

Mr. Westcott, I apologize because I have limited time, but one of our members opposite asked why trade for different countries would decrease. I don't think it would be fair to ask you or Mr. Potts that question, because I think you're focused on your industries only. So I'll ask a question first to Mr. Potts and then to you.

Do you believe your business in pulses, red beans, and the various crops you represent would increase in Colombia with a free trade agreement?

**Mr. Carl Potts:** The answer to your question is yes. This agreement would re-establish competitive, duty-free access for beans. We have demonstrated in our industry that we can sell and produce those products. We used to do that and had a very significant market in Colombia for red beans. With competitive access re-established, I'm very confident we could do that. We have very strong growth in lentil and pea production in Canada, and those are both very important markets.

**Mr. Ed Holder:** Did I hear from you or your colleague that the tariff on red beans is 60%?

**Mr. Carl Potts:** Currently it's 60%, and it's effectively shutting us out of that market.

• (1710)

**Mr. Ed Holder:** That's unbelievable. So all your red bean growers effectively cannot compete in Colombia.

**Mr. Carl Potts:** That's true.

**Mr. Ed Holder:** Mr. Westcott, it was rather interesting when I heard your testimony. You indicated that at 20%, Colombia's current tariffs render most Canadian spirits uncompetitive in the local market. You talked about how Canada has eliminated a number of import tariffs. Without a Canadian marketing budget, what's your sense of how well you might do in Colombia relative to where you are now? Do you have any sense of what it would mean if you didn't have that tariff to deal with?

**Mr. Jan Westcott:** We have structural impediments today that prevent us from being successful in Colombia. If this agreement is passed, those structural impediments will be eliminated and we will have security for investment in developing that market in Colombia. So it's black and white.

**Mr. Ed Holder:** So for you it's very obvious.

I'll ask you the same direct question I asked Mr. Potts. Once our free trade agreement is put in place, do you imagine that your business would increase in Colombia? That's the point I want to read into the testimony. I'm not asking you to speak for all Canadian businesses that want to do business in Canada—and the same for you, Mr. Potts. To be fair, you can speak only to your industry specifically, at least as best you know. You have been very articulate about that.

It is rather interesting as well, Mr. Westcott, that although it will be a 12-year process once the United States ultimately signs their deal with Colombia, there will be an accelerated provision in there. What details of that can you tell me? What's that acceleration piece? Can you speak to that?

**Mr. CJ Hélie (Executive Vice-President, Spirits Canada / Association of Canadian Distillers):** Basically, we didn't want to be left behind if the U.S. ratified, and they had negotiated a 10-year phase-in. So if, within two years of our ratification, the U.S. ratifies, we then meet the U.S. timeline so that we are not put at a disadvantage.

**Mr. Ed Holder:** All right, thank you.

Again, on the final part of that, I think what is very striking is where you buy your various grains to be able to provide your product. As I recall, while there was none in London, Ontario, which is personally very disappointing, certainly across Ontario—I will also say in Quebec, and I will say in the west as well—it's very dramatic in terms of what you mean to employment for Canada.

Can you comment on that?

**Mr. Jan Westcott:** We buy grain pretty much right across Canada. With respect, sir, we buy grain right up to the boundary of the city of London. If you grew grain inside the city of London, we might buy it. So it's a municipal boundary issue.

We buy grain in western Canada. We are the largest purchaser of rye grain in Canada for our products, predominately from Alberta and Saskatchewan. We are significant purchasers of corn in Ontario and we're significant purchasers of corn in Quebec.

**Mr. Ed Holder:** I'm sorry I couldn't get to all of you, but thank you for your testimony.

**The Chair:** Thank you.

Thank you, Mr. Holder.

Well, I had hoped that we would be able to get to our other business today, but this went a little longer than I thought it would in the first round. Rather than try to start something new, I think we might try, with the consent of the committee, if it's all right with our witnesses, to deal out a second round of this. That would give five minutes more to each of the Liberal Party, the Conservative Party, and the Bloc.

So five minutes, Mr. Brison.

**Hon. Scott Brison:** Thank you, Mr. Chair.

My first question is on the comment on the current labour agreement in this FTA. Mr. Rowlinson acknowledged that it was stronger than the similar provision in the NAFTA deal. Our public servants before committee said that not only is it the strongest one Canada has included in any FTA, but it's the strongest ever signed between two countries.

Given that we already have a trade relationship with Colombia, does this not represent a step forward in terms of increasing our tools with which we can influence and strengthen labour rights in Colombia? We can argue about how far it takes us, but isn't it unarguable that it does take us further than we are now with no agreement?

**Mr. Mark Rowlinson:** Well, let me say yes: that is to say, the labour side agreement with Colombia is essentially the same, with minor variations, as the labour side agreement that we have negotiated and ratified with Peru. So in a sense, they are virtually identical.

As I indicated in my testimony, they do represent progress over what was negotiated as a labour side agreement to NAFTA.

As to whether or not they represent the best labour rights protections in any trade agreement, that would be a matter for debate. I think there's an argument, again, in my view, that the United States has made more progress in incorporating labour rights into their trade agreement, but one could have a long argument and now is not the time for that argument.

With respect to your contention that something is better than nothing, if I can characterize it that way, I guess that depends upon whether or not the existing agreements have led to any real improvements. And I have to say—I cited the Mexico example in my earlier testimony—that the answer to that has been “not”.

I think there is every reason to be concerned that in fact the pernicious effects of this trade agreement on human rights in Colombia will outweigh any potential benefits that may accrue from the labour side agreement, given my analysis of the labour side agreement and the few, if any, likely benefits that it's likely to provide.

So that's really the balance, it seems to me, you have to look at. But I do acknowledge, as I've said, that it contains better substantial rights than those found in the NAFTA labour side agreement.

●(1715)

**Hon. Scott Brison:** The ILO report, which was released on February 26, 2010, actually speaks to some of the progress that has been made in terms of labour rights in Colombia. It reads:

...the Committee recognizes all the measures, of a practical and legislative nature, that the Government has been adopting recently to combat violence in general and violence against the trade union movement, and it notes a decrease in the murders of trade unionists between 2008 and 2009, and in violence in general.

It goes further in terms of some specific legislative and governmental action to protect labour unions and labour union leaders.

Do you view the ILO as a credible organization?

**Mr. Mark Rowlinson:** I have my issues and disagreements with the ILO, but if I can comment on the specific proposition you're making, there is no question that in some sectors of Colombian society there has been a diminution of violence. I don't dispute that. I know the Colombian government makes that claim, and that is correct.

I would point out, however, that on the issue of displaced persons, there appears to have been little to no progress, and it may be as bad now as it has ever been.

Indeed, you mentioned earlier today the popularity of the Uribe government and his political party. I would attribute a large amount of that popularity to the fact that there has been some diminution in the violence, particularly in urban areas. In the countryside, though, it continues to be an incredibly violent place. In general, Colombia continues to be a very violent place. I don't think any credible person can seriously dispute that.

I think when you're looking at Canadian investment in Colombia, with due respect to the other witnesses here today, the bulk of that investment is likely to be in the extractive industries, in my respectful view. Those extractive industries are going to be active in rural Colombia, where there continues to be an enormous amount of violence, and again I make no comment about the causes or roots of that violence. So that's really what you have to be concerned about.

**Hon. Scott Brison:** But if Canadian extractive industries increase their level of activity in Colombia and there are rules guiding their activities, and they are subject to Canadian laws of the Canadian Parliament, and in this case a very robust labour agreement, and to annual human rights reportage, doesn't that have the capacity to help provide legitimate economic opportunities in those rural communities that can help people wean themselves from the narco economy, which is a violent one and has been displacing Colombians for far too long and is not guided by any labour agreements? We can debate how robust these agreements are, but I don't think there are any labour agreements guiding how the drug lords and demobilized paramilitary who have evolved into drug gangsters, and FARC, which is part of an... I mean, there are no labour laws guiding their activities. So aren't we better off to help Canadian companies participate in the Colombian economy and to guide their activities based on laws and rules that we set as parliamentarians here in Canada?

•(1720)

**Mr. Mark Rowlinson:** Only if there's some evidence that those labour rights provisions are actually going to provide substantive protections to workers. Again, in my view, there isn't such evidence. I'd like to talk to you at greater length about extractive industries in Colombia, but I'm not sure now is the time. The reality is there are lots and lots of cases where foreign mining companies active in Colombia have given rise to enormously high levels of violence against their workers when they try to join trade unions.

I will give you a very brief example. Drummond mining is an American company. In the middle of collective bargaining, the local union president and vice-president were taken off the bus that took the workers from the locker up to the mine and their heads were shot. They were assassinated in front of the entire workforce in Colombia.

The reality is that when a company becomes active in Colombia, they are told that trade unionists are affiliated with the guerrillas, whether they are or they aren't. So they are told they need to retain the services of the paramilitary to combat that.

**Hon. Scott Brison:** But union membership has increased by 76% in Colombia.

**Mr. Mark Rowlinson:** That's not my information. Again, that's not the information of the Colombian labour school, with all due respect.

**The Chair:** Okay. We've heard these numbers on both sides many times before.

Mr. Allison.

**Mr. Dean Allison (Niagara West—Glanbrook, CPC):** Thank you, Mr. Chair, and thank you to our witnesses for being here today.

I just have a couple of quick questions, and then I'm going to send it down to my colleague, Mr. Carrie.

Mr. Potts, it was talked about the U.S. steel being signed. I just want to reiterate that Colombia has deals with dozens of countries right now, and even though it hasn't been ratified by the U.S., you are correct, the deal has been done and it could be ratified at any time. I think it's a wrong argument to say let's wait until it gets ratified, because that could happen at any time. We realize there are challenges in the U.S. Congress, but we know that is moving forward.

I just want to state as well that Colombia has deals with dozens of countries, and I'm not sure they're waiting just for ours, because they've been out trying to free trade, trying to create other economic abilities for their country, so they don't have to rely so much on the drugs they deal with.

Mr. Westcott, just to your point, my question is more or less in terms of where the U.S. is in terms of what their tariffs are right now going into Colombia. You guys talked about the 20%. Are they competing...? Obviously they are competing there right now. Do they have the same kinds of tariffs?

**Mr. Jan Westcott:** We both face the same structural impediments; the market is designed to favour local producers. We all produce to essentially a world standard, and we don't adjust our products depending on where we're going. They're largely in the same position. We do compete directly with the United States, particularly

the U.S. bourbon business. Canadian whisky competes aggressively against U.S. bourbon. They're pretty much in the same place. They're looking for the same kind of amelioration of the rules to make it more conducive to....

We can't invest money in developing a business and a market for our goods if that investment isn't going to be secure in the sense that somebody else can come along and sell something and claim it to be Canadian whisky or American bourbon. So in that sense, we're in the same boat.

**Mr. Dean Allison:** Okay. And once again, any advantage to get in there before the U.S. is helpful for building the brands and all those other kinds of things.

**Mr. Jan Westcott:** Absolutely.

**Mr. Dean Allison:** Rates are one thing, but obviously building the brand takes time, so the sooner you can get there the more competitive you are.

Okay, thanks.

Mr. Carrie.

**Mr. Colin Carrie (Oshawa, CPC):** Thank you very much.

I'm a visitor to this committee, but one of the things that was a little discouraging for me was the union representatives' position. I come from Oshawa, and in Oshawa we build quality cars. We export, and one of the markets is Colombia. Canadian auto workers export to Colombia. We are trying to promote export markets for our value-added products.

Maybe I can ask Mr. Westcott and also Mr. Potts, with the value-added in the products you produce, we keep the jobs here in Canada. And wherever we've been around the world, if we have that level playing field, how do Canadians do?

•(1725)

**Mr. Jan Westcott:** We do very well. Our motto in our business is that we believe in competition. Competition brings out the best in products, the best in services.

We are primary manufacturers. We take raw materials, exclusively grain in Canada—rye, corn, and some wheat—and we produce finished products that we ship around the world, to close to 200 countries. If the playing field can be levelled, we can succeed.

**Mr. Colin Carrie:** And that's a positive to our economy. I, and I know our government, have confidence in Canadian workers. When they have the opportunity to compete internationally, it does give us those spin-offs.

Can you see any downside in terms of jobs with an agreement like this?

**Mr. Jan Westcott:** No. The more whisky, the more vodka we can sell, the more grain we're going to buy. It helps farmers, people on the production side, and all of the ancillary industries that supply goods to us, whether they are people who make bottles, cartons, labels—you name it. All of those people succeed when we can grow our export business. Canada is an export country: seven out of ten bottles that we produce leave this country.

**Mr. Colin Carrie:** Mr. Potts, what do you see? When we have that level playing field with the people you represent, how do you think we will do?

**Mr. Carl Potts:** The Canadian pulse and special crop industry is quite different from other field crops that we export to, by the level of processing, cleaning, splitting, and value-added that goes on within the industry. There are dozens of small and medium-sized companies in the west, but also bean dealers in Ontario, who employ medium amounts of people in those types of processing and value-added applications.

As we can expand our export markets and retain our existing export markets, which is particularly important for Colombia, that's going to be very beneficial, not only to our own specific industry but to Canada as a whole, from an employment perspective and others. With a level playing field, we compete very well. That's our key interest in this Canada-Colombia deal, ensuring that we retain a competitive and level playing field.

**Mr. Colin Carrie:** And it's positive for Canadian jobs.

**Mr. Carl Potts:** Absolutely.

**The Chair:** Thank you.

I'm sorry that we've run out of time.

*La dernière question, Madame Guay.*

[Translation]

**Ms. Monique Guay:** Thank you, Mr. Chair.

Let me try to put things together. In some countries like Colombia, or other countries with whom agreements have been signed, we know very well that there are governments that are undemocratic, that are dictatorial and, I dare say, even corrupt. Everyone knows, everyone sees that children are forced to work and that people are paid unacceptable wages. This is exploitation pure and simple, and everyone knows it. We in Quebec are in favour of free trade. But when it comes to decisions as important as reaching an agreement with countries as dangerous as that, the agreements really must be negotiated in an appropriate way in order to set an example and in order for the situation not to continue, or even get worse.

Mr. Lemelin, could you tell me about what you have seen there? We are told that there are no more murders or disappearances, but that is not true because they come to light every day. I would like to know what you think. Mr. Rowlinson, could you tell us how we could put this agreement right?

Let me add one last thing: there is going to be a fight in the House against passing this, for as long as it takes for the government to understand that it really is making a serious mistake.

**Mr. Denis Lemelin:** Briefly, in Colombia, they have official newspapers and they have newspapers in the street. You find out what is going on in the latter. We went to a reserve called La María. It was completely surrounded by the military at the time and a number of the Aboriginal leaders—more than a hundred—were subsequently murdered.

I just want to talk about one aspect that seems extremely important to me. We always talk about the extraction sector in Colombia, but most displaced people are in agriculture. People are displaced because of the sugar cane and the African palm that is used to produce biofuels or for export, likely to make whisky. That takes sugar, amongst other things, and the workers are exploited. I feel that this is an extremely important factor that has to be considered.

• (1730)

[English]

**Mr. Mark Rowlinson:** I generally agree with my friend from CUPW.

I wanted to address one other issue, which is that the trade union movement in Colombia is firmly opposed to this agreement. I know that this committee has heard mixed evidence on this issue. I was in Colombia again last year, and I met with the leaders of the three primary labour centrals. All three labour centrals—both the public sector and private sector unions with which the union for which I work has close relationships—are opposed to the Canada-Colombia free trade agreement, .

I'll just give you an illustration. My most striking recollection of being with these labour centrals was that the first labour central office we went to was behind 18 inches of steel plate. They feel that this is what's necessary to be secure. They have security provisions the likes of which I have never seen in an office. It cannot be the case that a country that requires its trade unionists to work behind 18 inches of steel plate is truly a free place for workers to join trade unions.

[Translation]

**Ms. Monique Guay:** You are right. Thank you very much.

[English]

**The Chair:** Okay. That is it for today. I'll see you on Thursday.

The meeting is adjourned.





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