



House of Commons  
CANADA

## Standing Committee on International Trade

---

CIIT • NUMBER 016 • 3rd SESSION • 40th PARLIAMENT

---

EVIDENCE

**Tuesday, May 11, 2010**

—  
**Chair**

**Mr. Lee Richardson**



## Standing Committee on International Trade

Tuesday, May 11, 2010

• (1540)

[English]

**The Chair (Mr. Lee Richardson (Calgary Centre, CPC)):** Thank you for your patience. It now looks like we have a quorum and we're ready to proceed with meeting number 16 in this session of Parliament of the Standing Committee on International Trade.

Today we are pursuing our discussion 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.

We have witnesses today who will each give opening statements, which will be followed by questions. I think we'll be able to do two full rounds of questioning today if the witnesses keep their statements at 10 minutes or less. We'll keep an eye on the questioners, to keep their questions short, and hope that the answers are equally short but to the point.

We're going to begin. I'd like to introduce our guests.

First of all, just so we can all confirm that we have communication working properly, I'm going to introduce Mr. Mauricio Ferro.

Mr. Ferro, can you hear me?

**Mr. Mauricio Ferro (Head, Technical Knowledge and Learning Centre for Cerrejón Coal Mine, As an Individual):** Yes, loud and clear. Can you hear me?

**The Chair:** Yes, we can. Thanks very much. We can see you as well.

Mr. Ferro is from the Technical Knowledge and Learning Centre for the Cerrejón coal mine in Colombia. He is coming to us from Bogotá today.

**Mr. Mauricio Ferro:** I am currently at the mine in La Guajira province in northeastern Colombia, next to the Venezuelan border and the Caribbean Sea.

**The Chair:** Well, we have the technology working today. This is very good. You're quite a ways from Bogotá and then looped through to us here in Ottawa. That's terrific. Thank you for joining us today. I will be back to you in a moment. I want to introduce our other witnesses and then I'll ask you to begin with a statement, if you would.

Also joining us, from Project Accompaniment and Solidarity Colombia, is Tania Hallé, who is a fieldworker and coordinator with the coordination team. From the International Trade Union Confederation, we have Stephen Benedict, who is director of the

department of human and trade union rights. Visiting us again, I think, from the Forest Products Association of Canada is Andrew Casey, who is vice-president of public affairs and international trade.

Again, our witnesses will be offered opening statements. We'll hear from all of them before we begin questioning. Thanks to all of you or coming.

Let me then return to Colombia via video conference and ask Mr. Mauricio Ferro to begin.

Mr. Ferro.

**Mr. Mauricio Ferro:** It is an honour and a privilege to testify before our Parliament on the Canada-Colombia Free Trade Agreement.

First of all, I'll say a few words about myself. I am a dual citizen. I was born in Colombia and went to Canada, to Ottawa, in 1986, at the end of Mr. Betancur's presidency. I was then Chief Statistician of Colombia. Before that, I was the dean of the Los Andes University School of Management and a full professor there.

I have worked in Ottawa in the high-tech sector, including in international business development for Canadian companies. I have taught some international marketing courses in the MBA program at the University of Ottawa.

For the last three years I have been working in Colombia in an open-pit coal mine as head of the social engagement division of corporate social responsibility. In the last few months, I have been tasked with founding a college that will provide secondary technical education in the surrounding communities.

Cerrejón is a mine owned in three equal parts by subsidiaries of BHP Billiton, Anglo American, and Xstrata. It is the world's largest exporting open-pit coal mine. It is located in La Guajira Peninsula in northeast Colombia, bordering Venezuela and the Caribbean Sea.

The operation integrates exploration, production, transportation, and shipping of high-grade thermal coal. It provides employment for more than 10,000 people. In 2008 and 2009, we produced and exported about 31 million tonnes, of which one million went to the maritime provinces in Canada.

La Guajira's socio-economic development is tied to Cerrejón and the mining sector. Over half the provincial GDP is generated by Cerrejón...[*Technical Difficulty—Editor*].

Are we down? Can you hear me?

**A voice:** It's okay. We can hear you.

**Mr. Mauricio Ferro:** Okay.

In reading the minutes of the testimony, it strikes me that opposition to the agreement is based mostly on ideological grounds and on Colombian internal partisan politics, not on the merits of trade and the long-term contribution that Canada and Canadians can provide to Colombia and Colombians, and vice versa. Canada is a multicultural, multi-ethnic society and we are proud of our values and the tolerance and respect that we have for one another, even if we disagree on many contentious issues.

Since one of the main policies of President Uribe's government is to open Colombia to international trade through free trade agreements, anyone opposing him is trying to make him fail in achieving his policies.

Colombia, like every other country, has its problems. One of the most prevailing is the rule of law. We can write wonderful agreements and laws; the problem is that these laws are not always implemented. Respect for human rights has to be achieved. This has to be a priority for all of us, but it is something that will take time, the concerted effort of all Colombians, and the help of other countries such as Canada.

Many witnesses have spoken about threats and the killing of union leaders. They are right. This happens. But no one has mentioned domestic violence against women and children.

● (1545)

When a kid grows up in a climate of violence, his or her values are totally distorted. They believe that the way to impose a point of view and to prevail is through violence. Through education, we have to change these ideas that permeate Colombian society.

What do we do?

This is the case in Cerrejón in the case of human rights: we are working with Professor John Ruggie of Harvard University, an expert in human rights and a special adviser to the United Nations, to pilot in the field Ruggie's guidelines on grievance mechanisms. If there is not a mechanism to put forward grievances because of human rights violations, there is no way we can do something about them. There has to be an immediate response.

In 2006 Cerrejón began awareness and training sessions with various human rights themes, including voluntary principles and security and human rights. Nearly 14,000 people from local communities, including employees, contractors, public authorities, private security forces, and law enforcement agencies, have attended.

Last year, Cerrejón promoted 17 workshops by the national Red Cross on human rights issues, workshops that were aimed at children. Nearly 1,000 children from the communities attended the sessions in Spanish and Wayuunaiki. Forty-four per cent of the population of La Guajira belongs to aboriginal communities, most Wayuu.

According to Colombian law, indigenous peoples have the right to their own local social and political systems. Therefore, how national law and local customs intersect on the issues of security, conflict resolution, and human rights is key to Cerrejón's everyday

compliance with the voluntary principles on security and human rights.

What we say in Cerrejón is that we need to do not only the minimum required but the maximum possible. It will take years to change the mentality, but we have to work every single day of every week of every month so that values change, so that the respect for human life, aboriginal communities, and Afro-Colombians is there.

Let's not fool ourselves: this is going to take years of continuous and steady work. That's why having a trade agreement in place that provides jobs for Colombians as well as Canadians, but that serves the purpose of enforcement of laws for human rights and labour rights, is of the utmost importance for everyone involved.

I am not going to bother you with more data, but I wanted to point out that these issues are not single issues of one day. We have to work for years and invest in education, because otherwise we are not going to achieve what we want to achieve. We are not going to be able to tell ourselves that we have done something for human rights in Colombia, for respect for one another.

Just as a little example, if the armed forces, as built by illiterate conscripts who grew up in a climate of violence, are given a gun and not provided with any training, you cannot expect anything different from what we have been experiencing in Colombia. We have to do something about it. This is part of what Mr. Uribe's government tried to do by having a professional army and training them.

● (1550)

We have to help train Colombians in respect for human rights and for labour rights.

Thank you.

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

Mauricio Ferro is coming to us from the Cerrejón coal mine in northeast Colombia.

We're going to turn now to Tania Hallé, a fieldworker coordinator with Project Accompaniment and Solidarity Colombia.

Ms. Hallé.

[*Translation*]

**Ms. Tania Hallé (Field work coordinator, Coordination team, Project Accompaniment and Solidarity Colombia (PASC)):** Good afternoon, everyone. Thank you for inviting me to testify before the committee today.

The organization I represent has been operating in the field in Colombia since 2003. Our main partner in Colombia is the Comisión Intereclesial de Justicia y Paz, a Colombian human rights organization with which we provide assistance and support to the Metis and African communities in the northern part of the country, the department of Choco, in the region of Bajo Atrato.

I personally have had three long stays in the country. The first, for six months, in 2003, the second for eight months in 2004 and the third from December 2007 to February 2009. So I have fairly good knowledge of what is actually going on in the field.

Today, in this testimony, I'm going to try to show essentially two things: first, that the forced displacement in Colombia is a phenomenon that, among other things, is part of the policy of the Government of Colombia to allow the private sector to appropriate community lands in order to introduce economic development projects in the agri-industrial sector, among others; second, that there is a plan in the country for the political persecution of Colombian human rights advocates and international organizations critical of government policies.

I'm going to provide you with some background to the situation of the communities we are assisting. Those communities are located in the territories of Jiguamiando and Curvaradó, in Bajo Atrato. They were displaced in 1997 following an operation by Brigade XVII of the National Army conducted jointly with paramilitary troops. In addition, judicial proceedings are currently underway against General Rito Alejo del Río, who was the commander of Brigade XVII at the time.

Since 2000, the communities have begun to gradually return to their lands. However, paramilitary violence resumed in 2003. We have also seen an agri-industrial project being introduced involving African palms intended for the export of biofuels, and has been illegally established in the collective areas of the communities recognized by Law 70 in Colombia.

I personally witnessed a number of paramilitary incursions into the villages when I was there in 2003. During one of those incursions, the commander of the paramilitary operation wore the insignia of Brigade XVII, the National Army, while the troops wore the insignia of the AUC, the Auto Defensas Unidas de Colombia, a paramilitary group.

Also during that incursion, the paramilitary troops told the communities they were there to take back the lands and to support the major project to develop the African palms to be planted.

In 2005, the Colombian rural development institute, a government body, prepared a report following the proceedings of an African palm plantation audit commission, stating that 93% of palm plantations established on the communities' lands were illegal. Unfortunately, despite all the efforts made by Justicia y Paz to assist the communities in taking back their lands, that was not always done. There are now more than 15,000 hectares of illegally planted African palms on the lands.

An even greater concern is that evidence has been gathered of the paramilitary's involvement with palm businesses and the fact that the businesses have taken advantage of government financial support. The evidence we have found points to connections between the

paramilitary and the palm businesses in the Baja Atrato region. We have admissions from paramilitary members themselves, including a top military leader by the name of Éver Veloza, known by the pseudonym of HH, who before he was extradited to the United States as part of the demobilization process, made a number of declarations. Among other things, he handed over a USB stick containing documents concerning the relationship between Vicente Castaño, one of the highest-ranking paramilitary leaders in Colombia, and the African palm project in the Curvaradó.

• (1555)

He also stated that Rodrigo Zapata, alias El Negro, another demobilized paramilitary leader, who at the time was leader of the Calima Bloc under his authority, was in charge of the palm business in the region, and that he had been responsible for legalizing the papers for the lands at INCORA—the Colombian agrarian reform institute—to allow the project to be implemented in Curvaradó.

In another troubling fact, in 2009, a report equivalent to that of our Auditor General revealed evidence that nearly 100 per cent of the funding used to implement the illegal African palm project on the communities' lands came from public funds, mainly from FINAGRO, the Colombian government's agricultural financial company.

It will be recalled that, from 1996 until the present, these communities have experienced a total of 140 assassinations and forced disappearances and more than 15 forced displacements, responsibility for which is directly attributable to the Colombian government.

In the second part of my presentation, I would like to draw your attention to the media, political and judicial persecution conducted of the human rights advocacy organizations in the field. You have probably heard from other witnesses about the existence of a document confiscated by Colombia's office of the attorney general from the DAS, the department of administrative security, the Colombian intelligence service. I'm only going to read you a few brief excerpts, which are quite horrifying. The document dates back to June 2005:

OPERATION TRANSMILENIO—OVERALL OBJECTIVE: To neutralize NGOs in Colombia and worldwide. To establish links with narco-terrorist organizations in order to incriminate them. OPERATION INTERNET: Objective: To create controversy surrounding NGOs. STRATEGIES: Discredit. OPERATION FOREIGNERS: Objective: To neutralize the actions of foreign citizens. Operational investigations. Discretion and pressure. Deportation. Press releases and denunciations.

In concrete terms, we are experiencing the consequences of what is written in these documents. Since October 2008, there's been a new wave of attacks against human rights NGOs in Colombia, particularly against our partner in Colombia, the Comisión de Justicia y Paz, against our Canadian human rights organization, PASC, and against the Brigades de Paix Internationales, an internationally recognized agency involved in the region.

In the fall of 2008, I personally witnesses numerous death threats made by cell phone against field team members of Justicia y Paz, an episode that resulted in the kidnapping by paramilitary members of Justicia y Paz's field team in November 2008, who fortunately were subsequently released. The fact remains that the paramilitary are still very much present in the region and that, in concrete terms, the only difference we see following the demobilization process is a change in modus operandi.

Since the start of this year, a major defamation campaign has hit Justicia y Paz and our organization. Articles were published in the national dailies in December 2009, one of which was written by Jose Obdulio Gavvira, a former advisor to President Rivet, in which Justicia y Paz, the Brigades de Paix Internationales and PASC were accused of working directly with FARC-EP, the Colombian guerilla force.

On February 16, as part of a radio program hosted by Mr. Fernando Londoño, former minister of the interior in the Uribe government, baseless accusations were made in an attempt to establish a false connection between us and the Colombia guerilla force. I would therefore like to remind you that this strategy of associating the human rights NGOs with the armed struggle on the extreme left converts human rights advocates into targets for paramilitary personnel and that, in its annual report last March, the Office of the High Commissioner for Human Rights in Colombia once again identified human rights advocates as vulnerable groups and stated that the increase in attacks and threats against them was directly attributable to defamatory public statements made about them by members of the government, among others.

•(1600)

For us, the series of defamatory comments and threats to which we and our partner have been subjected is not an isolated case. It is an indication of a policy that involves the highest levels of the Colombian government.

In closing, I would remind you that Colombia is one of the 10 countries in the world that is under the preliminary review by the International Criminal Court. In our view, ratification of a free trade agreement between Canada and Colombia would constitute a disavowal by the Canadian government of the work being done by Canadian NGOs in the field. It would also have the consequence of seriously increasing the risk to our field workers and removing the guarantees that enable us to continue our work.

Thank you.

[English]

**The Chair:** Thank you.

Now we're going to hear from Mr. Stephen Benedict, director of the department of human and trade union rights of the International Trade Union Confederation.

Mr. Benedict.

**Mr. Stephen Benedict (Director, Department of Human and Trade Union rights, International Trade Union Confederation (ITUC)):** Thank you, Chair.

I'll speak in English, but I'm happy to take questions in French or—

**The Chair:** Excuse me. Can I ask you to present for under 10 minutes so that everyone gets a fair opportunity? Thank you.

**Mr. Stephen Benedict:** Thank you, Chair.

First of all, let me thank the Canadian Labour Congress for sponsoring my presence here and, of course, the committee for the opportunity to address you with regard to the trade union rights situation in Colombia from an international perspective.

I am the director of the human and trade union rights department at the International Trade Union Confederation, based in Brussels, and a former director of the international department of the Canadian Labour Congress.

The International Trade Union Confederation is an umbrella organization. It is the largest umbrella organization for national trade union centres, representing some 176 million workers across 155 countries and territories.

Our members include organizations like the Canadian Labour Congress and the Confederation of National Trade Unions, the CSN, in Canada, and in Colombia, the three major national centres, the CUT, the CTC, and the CGT. These three Colombian confederations represent, among them, somewhere above one million unionized Colombian working women and men.

My department at the ITUC is responsible for producing an annual survey of trade union violations across the globe. I have a copy in English and a copy in French if anyone is interested.

First of all, we monitor labour legislation as it is in law with regard to freedom of association and collective bargaining rights. We then monitor the implementation of that legislation. Then, of course, we document violations that occur with regard to those pieces of legislation. I'll come back to the survey in a second.

My department is also responsible for playing a role in the International Labour Organization, where we support and coordinate the input of worker representatives in the Committee on the Application of Standards, in particular.

I've had the opportunity to review some of the transcripts of testimony received by this committee to date and will therefore focus my presentation on three issues: one, Colombia's participation in the supervisory mechanisms of the International Labour Organization; two, some of the information on labour rights violations in Colombia; and three, some concerns regarding the impact of a free trade and investment agreement on Colombian workers.

Let me turn to the first point. There are two sides to the ILO's supervisory mechanism, and you've probably heard some references to them. The first mechanism is the Committee on Freedom of Association, a tripartite body with worker, employer, and government representation. It was established in 1951 to monitor rights to freedom of association.

In this committee, the murders of Colombian trade unionists are regularly condemned under case number 1787, which has become that committee's longest-standing case. In 2006 the committee's report on Colombia was more extensive than the combined reports on all other cases put together. Since the year 2000, Colombia has received more high-level ILO missions than has any other country in the world.

Central to the mandate of these missions has been the issue of anti-union violence, though of course they have also examined a number of other issues, including: limitations to the rights to organize and bargain collectively, and the right to strike; the introduction of anti-union legislation; the forced dismantling of trade union structures under the guise of restructuring or privatization; the practice of outsourcing personnel, social security, and health coverage to associated labour cooperatives in which unions cannot operate; and, other similar limitations that impact on the rights of working people.

● (1605)

The second mechanism at the ILO is the Committee on the Application of Standards, where a list of countries are invited to appear every year at the conference, based on a report produced by a committee of legal experts. The experts produce their report on the application of conventions based on information received from a wide variety of sources.

They include the annual reports that the ITUC produces. It includes information they receive from workers in Colombia. It includes information received from employer organizations and governments, as well as a number of non-governmental organizations, like a school in Colombia that does studies on rights in Colombia, or Amnesty International, or a number of well-known non-governmental organizations.

In the report this year—I want to be very up front—the experts noted a number of areas of satisfaction and of particular interest. Of course, careful reading of the entire report—which is available—raises ongoing concerns with regard to the situation of violations against the right to freedom of association or collective bargaining.

It wasn't mentioned in the earlier testimony, but let me quote from a paragraph following the one that was referred to and that is in your record: "The Committee once again expresses deep regret..." That is in bold letters. These experts are international legal experts; they don't use bold letters very readily. They expressed "deep regret at the murders and acts of violence against trade unionists which have been occurring for many years and those that have occurred in 2009, since the previous examination of the application of" Convention 87.

Now, with the regard to the situation of murders of trade unionists in 2009, according to our monitoring the situation has not in fact improved. In 2009, 47 murders took place. These trade unionists were assassinated for no reason other than that of exercising their right and their responsibility to represent workers. I wish this committee could hear from some of the organizations that represent the workers who have been assassinated. What is worrisome, beyond the numbers, is that the numbers of women victims have increased.

As is illustrated in the ILO's agenda, Colombia's unions are under attack through physical violence and assassination, but also through

a series of legal channels, intimidation, and harassment, all within an ongoing culture of systematic exclusion of workers and their organizations and a lack of understanding and disrespect for the fundamental role that trade unions play in a democratic society.

The attacks are systematic, and in most cases, they are directly linked to labour conflicts. The goal is to stop workers from being able to join unions, to bargain collectively, and to gain better conditions for their families, as is their right. The situation severely limits workers from enjoying any results of economic expansion resulting from trade.

When murder and terror are insufficient to stop union organizing, other techniques are used. Certification submissions are arbitrarily denied, mass firings occur, and impunity exists for employers who violate the law. These violations have resulted in a serious decline not only in the numbers of unionized workers in Colombia, but also in the numbers of certified unions as well as the number of workers covered by collective agreements.

Despite reports to the contrary, the fact is that there has been a decline of some 4.7% in the number of unionized workers from 2002 to 2008. Two hundred and fifty-three requests for certification were denied from 2003 to 2008. In fact, what we have is a decline in collective bargaining over the last years, the years of the present government.

● (1610)

So far this year, in 2010, 25 trade unionists have already been murdered as of the end of April. There are lists of names of victims available, along with where they were murdered and the name of the union they belonged to.

Let me refer to the third point now very quickly, Chair. I think I still have a couple of minutes.

**The Chair:** You're about half a minute over so far, but with the two minutes that Ms. Hallé went over, you are now four minutes over.

**Mr. Stephen Benedict:** I'll be 30 seconds, then. Thank you.

The three national Colombian confederations have opposed this trade deal. In 2009, they said:

From our perspective, fair trade should be defined as the development and progress of the socio-economic, cultural, and environmental rights of the Colombian society. Signing an FTA between Canada and Colombia would not guarantee these rights.

To the question as to whether this is ideological, let me point to an area where we probably do agree, and that is the proposed amendment. We welcome the initiative to amend the agreement in order to ensure that a human rights impact review is part of a trade deal.

Let me try to understand this. As I see it, the Colombian government will introduce an annual report to its Congress on the impact of the trade deal on human rights in Colombia. The Government of Canada will do the same.

And then what? Will the reports be exchanged between parliaments? Will they then be debated? In which committees? How does that whole process function?

What are we saying? That Colombians will debate the impact of the trade agreement on human rights in Canada?

We believe the principles of a legitimate human rights impact assessment must be that it is prior to implementation, independent, and its conclusions actionable. If we accept these principles of an effective and legitimate assessment, the conclusion must be that it is premature to proceed with the free trade agreement at this time.

Let me just say in conclusion that if indeed the Colombian government is serious about the efforts it says it is undertaking, then they should welcome a true, independent, prior human rights impact assessment. It doesn't that mean trade and investment stop.

The governments can continue to negotiate and implement tariff reductions to benefit products from both parties, something like a general preference system, which would allow for improvements for Canadian exporters and for Colombian consumers, whom you claim to want to assist. It would allow you to say to the Canadian public that you have done full due diligence—a win-win situation.

Thank you. My apologies.

• (1615)

**The Chair:** We get a lot of that. But you are four minutes over and it's just abuse of the committee: other speakers get cut off and the question period is shorter. I'm sorry, but I say this every time. I did speak to you before the meeting, and actually just before you spoke, and yet here you go.

Mr. Casey, 10 minutes, if you could.

**Mr. Andrew Casey (Vice-President, Public Affairs and International Trade, Forest Products Association of Canada):** Absolutely, Mr. Chairman. Thank you very much.

And thank you to the committee for this opportunity to contribute to your deliberations and study of Bill C-2.

I just want to give you a quick sense of who we represent. We're the Forest Products Association, the national voice of Canada's forest products industry in Canada, with integrated lumber, pulp, paper, and other products forming the mix.

By way of introduction to the industry from an economic standpoint, we represent about 12% of Canada's manufacturing GDP. We directly employ 240,000 Canadians and, indirectly, another 366,000 Canadians across the country. Given the rural nature of the industry, we of course are a huge economic foundation of about 200 Canadian communities from coast to coast.

An instrumental component of our economic strength and long-term viability is our ability to sell into markets outside of Canada. Indeed, about \$24 billion worth of our product goes to markets outside of the country. That's well over 50% of the products we make. That makes us the fourth largest Canadian exporter and the most successful forest products exporter in the world.

The lion's share of our product, as most people would know, goes down to the U.S. market—about 70% of our products. Another large

part goes to Asia, to China, India, and other Asian countries. About 16% of what we produce goes there. Another 6% goes to Europe. The remainder goes to other countries around the world, including those in South America. For that reason, we find that our opportunity here to contribute to these deliberations is an important opportunity in that it obviously presents a chance for us to grow that success.

Members of this committee and other parliamentarians are of course very familiar with the economic challenges this industry has faced over the past couple of years. We've seen a number of mill closures and job losses and, of course, the communities are gravely affected by this. Many of you have communities in your ridings that have been directly affected by the challenges that this industry has gone through over the past couple of years.

There are some bright lights on the horizon. There are some signs that the industry is picking up. We've seen a growth in demand for lumber. Prices have gone up accordingly. We've also seen a growth in pulp demand, with prices going up there also.

It's too early to tell right now whether this is a short uptick or a long-term trend. Nevertheless, the industry continues to plan for when markets do rebound. We expect them to rebound and we have put in place a four-point strategy that will help or position the industry to be ready for when markets do come back.

First and foremost, it's incumbent upon the industry itself to invest and improve its productivity. We've done so, even throughout this economic downturn.

A second component is to continue to improve our environmental performance and our forest management practices. We've done so. We want to be able to leverage those improvements and practices in a marketplace that is increasingly using environmental criteria as a criteria for buying.

For that reason, if I might just open up a side bracket, we're pleased with the inclusion in this agreement of a separate agreement on environmental priorities, where it has identified both forestry management and sustainable resource management as priorities for cooperation between the two countries.

A third portion of our strategy going forward is looking to maximize the resource, to get as much out of the fibre, out of the tree, as we possibly can. A major portion of this is integrating the new emerging bio-economy, bio-products, and bio-energy into the existing product lines—again, to get as much value out of the tree as we possibly can and minimize the waste.

The fourth—and I put it fourth because it gives us a proper segue—is to grow and expand our markets. Seventy per cent dependence on the U.S. market is a bit too heavy. We see what can happen when you get tied up into a softwood lumber war. We'd like to diversify those markets and expand them elsewhere.

Bill C-2, this agreement, serves as a good example of how those markets can be expanded and of the potential there, so let me give you a sense as to what the potential is. The potential is mostly on the pulp, paper, and paperboard side of things—very little lumber. It looks to us like it's not exactly a culture that builds with lumber, unfortunately; maybe there's some work that can be done there, but let's say that's not part of what we can talk about today.

Overall, Colombia imports about \$740 million annually of forest products. I think what's interesting about this is that we're seeing a 13% annual growth in that number. That's a significant marketplace that is growing annually.

There are three core areas where we see opportunity here.

One is in the newsprint business. They import about \$60 million annually in newsprint. We represent \$41 million worth of that, so that's the lion's share of it. Right now that is tariff free. The advantage this trade agreement will give us is that it will put in place the zero tariff for the foreseeable future, which gives us some security and a long-term security in terms of our marketplace.

• (1620)

The second area is the pulp area. Colombia brings in about \$125 million worth of pulp annually. Again, we're seeing about a 17% growth per annum in that import number, so that's a growing market for us.

We're not at play in that marketplace, arguably because we're facing about a 5% to 10% tariff on that, whereas our competitors from Brazil and Chile, who enjoy not only geographical proximity but obviously have no tariff, have much greater access to that marketplace. Getting our tariff down to zero will at least put us on the same footing or level playing field with our core competitors from Chile and Brazil.

The third and probably most important area is the uncoated paper and paperboard product lines. Colombia imports about \$450 million of this annually. Again, it's growing. We ship only about \$12 million worth of that product into that marketplace. The other big players there are Germany, the U.S., and Brazil.

Germany and the U.S., like us, are faced with about a 10% tariff on their products going into the marketplace. This agreement would bring ours down to zero, obviously giving us a huge leg up on our immediate competition out of the U.S. and opening up a potential market of \$450 million in this product line. It will also let us undercut Brazil, which is another one of our major competitors.

We see those three market areas as presenting enormous potential: \$740 million in potential. While it may not seem like a big number if you put it on a national scope, the reality is that a lot of the products we are sending down there are coming from certain regions of the country.

Most of the newsprint side, for example, comes from Quebec and Nova Scotia. So you can see that when you're shipping \$41 million from one specific region, you're talking about keeping a couple of mills open for a longer time.

Any time we have a chance to open up new markets or expand markets we welcome that. For that reason, we're very supportive of Bill C-2 and what it aims to do. We encourage you to support the bill likewise.

Again, thank you very much for the committee's time.

[*Translation*]

I will be pleased to answer your questions in French, if you wish.

[*English*]

**The Chair:** Thank you, Mr. Casey, from the Forest Products Association of Canada.

That brings us to questions. We have a little less time than I had hoped for, but we will try to get in one round anyway. We'll start with seven-minute rounds. That means the questions from each speaker and the answers should be seven minutes in total.

We're going to begin that with Mr. Cannis, our vice-chairman.

**Mr. John Cannis (Scarborough Centre, Lib.):** Thank you, Mr. Chairman.

First of all, I extend a warm welcome to all of you.

To our guests from Colombia, thank you for coming before our committee.

I just wanted to say off the bat to Mr. Ferro, who spoke to us from Colombia, that I really enjoyed his statement that Colombia, like other countries, has its problems. If any one of us thinks that other countries don't have problems, then I don't know what planet we're living on.

I was moved when he talked about domestic violence in terms of women and children and what needs to be done there. I'll address that in one minute.

If I understood you correctly, Mr. Ferro—I'm just trying to save time here and I want your response for the record—you believe that this trade deal will help address some of the issues that are there today and that will be there tomorrow and the next day, but if we don't move forward on this free trade deal, all we're doing is prolonging the addressing of some of these issues.

Am I correct, sir, in saying that?

• (1625)

**Mr. Mauricio Ferro:** Absolutely. You are completely right.

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

**Mr. Mauricio Ferro:** We have to do something and we have to keep working on that in order to achieve results. In the long run, what counts are results.

**Mr. John Cannis:** Excellent.

I'd like to ask Ms. Hallé a question. Do you agree with the trade agreement that Canada has signed with the United States?

[Translation]

**Ms. Tania Hallé:** That's a completely different question. My remarks today don't concern the—

[English]

**Mr. John Cannis:** Do you agree with the trade agreement that Canada has signed with Israel?

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** On a point of order, Mr. Chair, this is Canada and Colombia, and Mr. Cannis knows well enough that he should be asking about the testimony.

**Mr. John Cannis:** Mr. Chairman, by all means...I'm just trying to get to my point, sir.

**The Chair:** This is the trade committee, and he's asking questions about trade, oddly enough.

[Translation]

**Ms. Tania Hallé:** I'd like you to let me finish my answer.

[English]

**Mr. John Cannis:** He interrupted. I didn't. The rudeness was from the member from the NDP who interrupted.

[Translation]

**Ms. Tania Hallé:** I'm sorry, I hadn't finished my answer. I was saying that I thought my remarks today concerned the Canada-Colombia free trade agreement, not my support for or opposition to the Canada-United States Free Trade Agreement.

[English]

**Mr. John Cannis:** I'm trying to get to that.

I'm trying to get to that. Do you agree with those trade agreements, yes or no?

[Translation]

**Ms. Tania Hallé:** I'm not opposed to the Free Trade Agreement between Canada and the Republic of Colombia as such, if that's your question.

[English]

**Mr. John Cannis:** So if you don't oppose those two free trade agreements, and I can name others, for example, that Canada is engaged in... This trade agreement, if we look into it, is exactly patterned under those other agreements, and, if anything, with the addition of my colleague Scott Brison's amendment, that enhances it. So if you agree with those, why would you not agree with this one?

But I'll go on, Mr. Chairman, if I may. We talked about unions, displacements, and kidnappings etc. I have statistics here for Mr. Benedict, if I may, where there were approximately 2,882 kidnappings in 2002, and in 2009 there were 2,013. With respect to homicides, in 2002 there were 28,837, and in 2009 there were almost 50% less, at 15,000, and so on.

With respect to unions and their affiliations, I have data here. In essence, the trade union leaders and workers union affiliation has increased from almost 800,000 in 2002 to almost 1.5 million in 2009, which is a 76% increase. I have statistics here, sir, that say the trade union leaders and workers unions that were created—I underline that word, because you brought it up—in 2006, for example, were 74, and in 2009 there were 164. That's an 80% increase.

Either somebody has lied to me and I'm lying to you—and I apologize if that's the case, Mr. Chairman—but maybe you can give me a rebuttal to that, if you would.

In 2002, there were 196 homicides of union leaders. In 2009 there were 28. I believe it is 28 too many and I think we all do around this table. The fact is that it has happened and the fact is they are trying to make efforts.

On women, I want to say, Mr. Chair, regarding initiatives at the multilateral level, that Colombia, together with New Zealand, promoted the adoption of resolution 11/8 on preventable maternal mortality and morbidity and human rights in the eleventh session of the Human Rights Council. In the twelfth session of the Human Rights Council, Colombia and Mexico promoted the adoption of resolution 12/17 for the elimination of discrimination against women. This goes on with other international bodies that Colombia is working with.

I am going to conclude with this, and then anybody can speak for whatever time I have. I have concluded that here we have a nation that is trying to make an effort to get out of this difficult situation they're in.

But can I say to my constituents, Mr. Casey—and I close with you—that jobs here in Canada for my constituents, my taxpayers, are going to possibly be hurt if they can't get their products out in a competitive way and then they can't pay for their kids' education, for the mortgage, and for their groceries? Are the jobs going to be in jeopardy for my constituents in Toronto?

• (1630)

**Mr. Andrew Casey:** I would put it more positively. I think there are jobs to be had.

**Mr. John Cannis:** But if we prolong making the deal...

**Mr. Andrew Casey:** This is expanding our markets. We are succeeding in existing markets and I think this offers an expansion of markets beyond what we are already enjoying.

**Mr. John Cannis:** Whatever time is left, Mr. Chair, is for the panel members if they want to respond.

**The Chair:** We have a minute, Mr. Benedict, if you can go a minute.

**Mr. Stephen Benedict:** Oh, I'll be 30 seconds. I am happy to debate numbers as long as you wish. The numbers that we have are the numbers provided to us by the organizations that belong to the International Trade Union Confederation. They don't match with those of the government. I'm happy to have a side discussion on that.

The same applies to issues of workers covered by collective agreements. That number has decreased, as has the number of collective agreements signed, which is an important statistic, different from members who join trade unions and different from trade union organizations that are created by the government to support its positions.

**The Chair:** Thank you.

We're going to move on to Monsieur Laforest.

[*Translation*]

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

Good afternoon to all the witnesses. Good afternoon, Mr. Ferro, in Colombia.

I have a first question for Mr. Casey. Mr. Casey, I was somewhat surprised to hear you say that the Free Trade Agreement between Canada and the Republic of Colombia would eventually make it possible to increase... In any case, that agreement seems to be important to you.

I'm going to set that alongside something else. Last week, I attended a meeting for the États généraux du bois dans la construction, which is organized by the Conseil de l'industrie forestière du Québec. Moreover, my colleague Mr. Guimond was there as well. We heard a number of speakers, and we attended conferences for most of the day.

Light was shed on aspects that must be addressed in order to increase productivity. Never was there any talk of a free trade agreement with Colombia. No one ever mentioned such an agreement, which is so unimportant for the development of the forest industry. Many other countries are much more important from a market standpoint. We talked about research and development, fibre-cutting methods, cutting methods and especially loan guarantees—which the Conservative government is still denying us. That's what will save the forest industry. You're telling us that this Free Trade Agreement between Canada and the Republic of Colombia will save us. I find that completely incongruous.

**Mr. Andrew Casey:** It's clearly not the most important market for us; it's more those of China, India, the United States and Europe. However, it is a fairly large market. It isn't a wood market; it's a pulp and paper market. That's the opportunity. We sell \$41 million worth of newsprint—I don't know the word in French—in Colombia. So the market is quite big for a few plants in Quebec, such as AbitibiBowater, and perhaps Kruger as well, I believe, which wants access to the Colombian market.

**Mr. Jean-Yves Laforest:** Mr. Ferro, I have a question for you.

**Mr. Mauricio Ferro:** Could you speak slowly?

**Mr. Jean-Yves Laforest:** All right, I'm going to speak more slowly, if the Chairman allows me to—

**Mr. Mauricio Ferro:** Thank you very much.

**Mr. Jean-Yves Laforest:** With regard to the Free Trade Agreement between Canada and the Republic of Colombia, you say patience is necessary, that this agreement will promote greater respect for human rights in Colombia. That's somewhat what you told us, if I'm not mistaken.

**Mr. Mauricio Ferro:** Yes, I'm sure of it. However, we have to work every day to change the attitudes and behaviour of people and public officers. If we don't work to change the situation, nothing will happen in the next few years.

• (1635)

**Mr. Jean-Yves Laforest:** I'm going to ask you another question. Why would the Free Trade Agreement between Canada and the Republic of Colombia promote greater respect for human rights in Colombia? For many years now, there have been agreements between Colombia and other countries that have not led to an improvement in or greater respect for human rights, on the contrary.

I refer to your document. Since 1995, Colombia has been a member of the WTO. It has had a customs union with the Andean community since 1969. In addition, Colombia has had a free trade agreement with Chile since 2006. As to the agreement with Mercosur—Brazil, Argentina, Uruguay and Paraguay—it has been effective since December 2005. Lastly, the free trade agreement with Mexico dates back to June 1994. That's apart from the partial preferential agreements.

This isn't what we're told by most of the witnesses who talked to us about human rights. On the contrary, there has been a deterioration in the situation in Quebec, and it isn't free trade agreements that will cause it to improve. People suggest amendments to a bill so that, after the agreement is signed, Colombia and Canada will conduct a study to assess the human rights situation. So I can't believe you when you tell us the situation will really improve. All the other agreements prove the contrary.

I'd like to hear what you have to say on that subject.

**Mr. Mauricio Ferro:** I believe that Canada is different from the other countries with which Colombia has entered into free trade agreements. The presence of Canadian businesses will improve matters. In the same way as we work, as Colombians and Canadians, we can improve the way in which companies work with the communities and the population. This is what will change things. There are people with different principles. It's not the same as it used to be. I believe it's the effort by citizens and people who have principles that will change matters.

**Mr. Jean-Yves Laforest:** If I understand you correctly, Mr.—

**Mr. Mauricio Ferro:** It's us, workers—

**Mr. Jean-Yves Laforest:** If I understand you correctly, Mr. Ferro, you very much believe in the quality of this kind of agreement because of the credibility of Canadian businesses. Consequently, you would no doubt be in favour of the unanimous motion by committee members last year that a free trade agreement should, if entered into, be preceded by an independent study. That will change nothing.

If the agreement is really good, why not wait and do a genuine independent human rights study? That would give everyone a true, fair, equitable and independent picture. Then everyone would be able to see whether there has been an improvement or not. We have to establish guidelines so we can conduct an evaluation.

**Mr. Mauricio Ferro:** I believe the purpose of that kind of study would be to frustrate the free trade agreement. I don't deny the fact that we have a human rights problem. The question that arises is to determine how to change the situation, how to improve the situation of the unions and unionists. This is a problem to be solved. That's what we must all work at in order to change the situation. That's where we have to provide a solution to the situation and to the problems of Colombia.

**Mr. Jean-Yves Laforest:** Thank you, Mr. Ferro.

[English]

**The Chair:** Thank you.

Thank you, Monsieur Laforest.

We move now to Mr. Julian for seven minutes.

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

I'd like to thank all the witnesses for coming before us today.

I'm going to have questions for each one of you, so I'll ask you all to be fairly brief.

I'll start with you, Mr. Ferro.

I found your comments a little concerning, just given President Uribe's attacks against human rights activists, as most recently reported by the BBC, where he talked about "...those entrenched interests that in serving human rights just end up promoting the policies desired by those in collusion with terrorism". So he's connecting human rights organizations with terrorist organizations.

We also have the recent story that's broken on the actions of the Colombian secret police, which you would know as the DAS. The 10-year-old daughter of one particular journalist who was targeted, Claudia Julieta Duque, was threatened with rape and they threatened to have her cut to pieces. She mentions that she received 70 threats in one day from the Colombian secret police.

She says that the president, referring to President Uribe:

...had a speech against those opposing him.

Those speeches were simultaneous with the actions of the secret police against us. There is a clear relation between a speech that accuses and a secret police that attacks.

So I wanted to ask you, Mr. Ferro, whether you were aware of these comments that have been made by President Uribe, and of the actions of DAS, the Colombian secret police. Or this is news to you?

• (1640)

**Mr. John Cannis:** This is trade—

**Mr. Mauricio Ferro:** Absolutely. We know very well that on August 7, Mr. Uribe's regime is going to end. We're going to elect a new president in a couple of weeks, and most probably the successor of Mr. Uribe is not going to be a sharer of these types of policies. We know that we have an independent prosecutor's office, and I think they're going to do their job.

I think that if somebody has violated the law, they are going to be brought to justice, in the same way that many Colombian MPs who colluded with paramilitaries have been brought to justice. And we hope that the Colombian judiciary is going to do its job and bring justice.

**Mr. Peter Julian:** Thank you, Mr. Ferro. I'm going to move on to other witnesses, but I do want to point out that Mr. Santos, who is a candidate for President Uribe's party, has said exactly the same thing. He has accused human rights organizations of being connected with terrorism and has actually been accused many times of being just as vicious and aggressive with human rights organizations as Mr. Uribe.

I'd like to go on to Madame Hallé.

[Translation]

Thank you for being here today.

Could you tell us a little more about the attacks against the aboriginals and Afro-Colombians?

Furthermore, a previous witness—the only witness involved in human rights in Colombia—talked about the attacks by paramilitary agents against gays and lesbians in Colombia. Could you also talk about this increase in violence against human rights advocates and militant unionists since 2008? This is important. Some of my colleagues only talk about the period up to 2007, and they forget it. I think it's important to hear testimony on this increase since 2008.

Lastly, you said that, for Canada—this is very clear, and I hope this message is understood around this table—pushing in favour of this agreement will, if I'm citing you correctly, repudiate the work of the Canadian NGOs in Colombia and could endanger Canadians in Columbia.

Could you comment on those three points?

**Ms. Tania Hallé:** Yes.

First, with regard to the situation of aboriginal and Afro-Colombian peoples, we know that there are currently five million displaced persons in Colombia. After the Sudan, this is the second country in the world where there are the most displaced persons within a country. Most of the people who have been forcibly displaced are Afro-Colombians and aboriginal people. So these are really the most vulnerable populations and those that have been the hardest hit by the situation regarding forced displacements of populations.

In the department of Choco, where we work, aboriginal communities are currently threatened by the introduction of a mining development project that could contaminate the drinking water these communities need to survive and for their daily needs.

**Mr. Peter Julian:** Are they threatened by the Colombian military and paramilitary linked to the government?

**Ms. Tania Hallé:** They constantly receive threats from the paramilitary who are directly linked to the Colombian government. There's a phenomenal amount of evidence of the connections between the paramilitary strategy and the Colombian government, but I don't have the time or leisure today to detail all that evidence. However, there are a phenomenal number of documents concerning that.

• (1645)

**Mr. Peter Julian:** And these problems have increased since 2008.

**Ms. Tania Hallé:** Yes. We're really seeing an increase in attacks and stigmatization by members of the government against human rights advocates. President Uribe has accused human rights advocates of being human rights traffickers in the service of terrorism. These are extremely serious charges which, for us, jeopardize our escorts in the field. When they make a direct association between human rights advocates and terrorism, it's a message that gives the green light to the paramilitary to attack human rights advocates. In that sense, we believe this quite seriously increases the risks we run in the field.

**Mr. Peter Julian:** Thank you very much, Ms. Hallé.  
[English]

Mr. Benedict, we had a previous witness from CCIC who said that the amendment the Liberals are bringing forward “lacks credibility” and that “the damage from a non-credible process is high”.

How would you describe the amendment? Do you believe that it lacks credibility? We've only just started hearing from human rights groups and labour organizations, but certainly, the initial comments have been very negative.

**Mr. Stephen Benedict:** As I said, as an initiative, it is interesting. It probably is a positive first step. What it lacks, indeed, is the capacity, because it is neither independent nor prior, to lead to concrete actions.

**Mr. Peter Julian:** Would you say that it lacks credibility?

**Mr. Stephen Benedict:** It lacks credibility.

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

Finally, Mr. Casey, I'd like to talk to you about softwood lumber—

**The Chair:** Mr. Julian, you're over your time.

**Mr. Peter Julian:** —and the thousands of jobs lost by that incredibly bad agreement signed by the Conservatives.

**The Chair:** Mr. Trost, you have the floor.

**Mr. Brad Trost (Saskatoon—Humboldt, CPC):** Thank you, Mr. Chair.

If I don't use up my time, I'll be splitting it with my colleague, Mr. Ed Holder.

Mr. Ferro, as a few members here know, I recommended you to the committee because we met on an airplane coming back from Bogota and chatted for about 15 to 20 minutes as we were waking up from the morning flight.

You were of interest to me as a witness for this committee because you're into business and interested in human rights and development for people there. That's essentially what your job is.

We seem to have a consensus from most witnesses that this is good for Canada economically, but we've been debating how this affects Colombia, etc. In your opinion, very simply, will this agreement and subsequent agreements—because this one is a trailblazer for the one with the EU and with the United States—make life better for the average Colombian? If so, why?

**Mr. Mauricio Ferro:** If we look at trade statistics, we see that trade between Canada and Colombia has been growing, and there we have a problem with Colombian statistics.

Some 20 years ago, I was the Chief Statistician of Colombia, and the problem is that Colombian statistics underestimate the flow of goods from Colombia to Canada. The reason—and it's a well-known reason to Statistics Colombia as well as Statistics Canada—is that most of the trade that goes through American ports and not directly to Canada appears as Colombian exports to the U.S.A., not as exports to Canada.

When I look at the Colombian situation and the problem of trade unions, being in a union in Colombia is a privilege, because only the most modern sector of the economy is large enough to sustain a union.

[Translation]

The small and medium-size businesses, which are family businesses are not unionized.

[English]

That's exactly the same situation in Canada.

But growth comes from a demand for goods and services. I think the trade agreement with Canada is going to create jobs in Colombia and is also going to reduce the price of some commodities that we need.

● (1650)

**Mr. Brad Trost:** On the essence of the core argument against this from the people opposed to it, the union activists, etc., I'm summarizing their position, in my interpretation: they don't like the current president's policies of the last eight years and they hold him responsible for most human rights problems, etc. Therefore, we should not have a deal.

But I look forward. As you've noted, Colombia has an independent judiciary and independent prosecutors, etc. Is this deal about more than the past? Is this deal about more than the Uribe administration? Is this deal about the future?

I'm looking at the Green Party candidate who's neck and neck with the U Party candidate. They both support the trade agreement. So how is Colombia viewing this? How is this about the future? Or is it about the past?

**Mr. Mauricio Ferro:** It is about the future. I want to mention some important data. Before Mr. Uribe, the length of the tenure of the education ministers was less than a year, so no educational policies could ever be carried out because of the turnover of the ministers.

With Mr. Uribe, the current minister, a lady, has been there for eight years. The coverage of the educational system has increased quite a lot. There were problems with quality, but the future depends on the education of the Colombian people and on the opportunities that we in Colombia have for better jobs, for quality jobs, for something that will generate enough income for us and for our children.

**Mr. Brad Trost:** One of the interesting things you noted is what your company has been doing for social development. Is your company unique? Or do other companies in Colombia do social development? We have heard a lot about the potential of big business to be abusive to workers. Is there good being done?

**Mr. Mauricio Ferro:** Yes. One of the things we have been doing, and the Canadian embassy has been instrumental in it, is getting together mining companies and other companies so that we can enforce voluntary principles and move from a philanthropic approach to social responsibility through sustainable development.

No private company can substitute the function of the state in promoting rights, in promoting development. What we have to do is institution building, strengthening a civil service that is accountable to the people and that is competent and honest. Those are the kinds of changes that will bring about a change in Colombian society.

**Mr. Brad Trost:** I will give the rest of my time to Mr. Holder, if there is any.

**Mr. Ed Holder (London West, CPC):** Thank you to our guests. I appreciate your attending.

There is so much to go on and so little time.

This is perhaps for you, Ms. Hallé. I haven't heard much from you today. Could I first ask a simple question that isn't intended to be ideological? Could you imagine that free trade, presuming that it passes between Colombia and Canada, would presume more jobs, both ways, good or bad? Would you imagine that increased economic activity would create more jobs?

[Translation]

**Ms. Tania Hallé:** That might perhaps create more jobs, I don't know, but you have to consider the kind of jobs that would create. In Colombia, in concrete terms, what happens with development projects...

Am I too close to the microphone?

[English]

**Mr. Ed Holder:** Sorry, I wouldn't interrupt you, except that, again, with 30 seconds left now, I'll take that almost as a yes.

**Ms. Tania Hallé:** *Non, excusez-moi. Mais c'est vraiment—*

**Voices:** Oh, oh!

[Translation]

**Ms. Tania Hallé:** Pardon me, but that's pitiful. This way of proceeding is really disrespectful and deplorable.

[English]

**Mr. Ed Holder:** No, no. No, I'm not...

But you talk about jobs... I don't want to get into debate with Peter Julian, but I do want to talk to you, Ms. Hallé, and I don't want to presume what you've said—

**Voices:** Oh, oh!

**Mr. Ed Holder:** My only point was—

Mr. Chair, this is farcical. I'm not here to debate Mr. Julian in this.

I'm not here to debate you, Peter. I'm here to talk to our guests.

[Translation]

**Ms. Tania Hallé:** If that's what you want to know, I don't know if it's worth the trouble to create those jobs if, to do that, you displace populations and kill women and children.

• (1655)

[English]

**The Chair:** [*Inaudible—Editor*]...we're going to have to move on.

I'm sorry. You simply ran out of time.

We're going to have a quick second round. I think we'll have time for three questions. These ones are going to have to be tightly limited to five minutes for questions and answers.

I'm going to go to Mr. Brison.

We can come back to Mr. Holder, if you would like to pursue that subject uninterrupted.

Right now we're going to Mr. Brison for five minutes.

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

Thanks to each of our witnesses today.

I'm going to start with you, Mr. Casey, on behalf of the Forest Products Association of Canada. Your industry has undergone massive challenges in recent years and significant job losses, with entire communities, in fact, effectively shut down by lack of opportunities and loss of markets.

Do you see this free trade agreement as having positive effects in creating jobs and protecting jobs in such places as British Columbia and Quebec and Atlantic Canada?

**Mr. Andrew Casey:** Absolutely. It is not a panacea. It is not a sort of pixie dust that we can wave at the problem, making everything go away.

Markets will come back. Our primary markets have to come back first. We still need the U.S. market to rebound. We need that housing market to come back strong so that we can grow that area. That has to be our core foundation.

Of course, growing our markets in Asia, China, India, where we are significant players now, is also an important part of the equation. But any other new market we can bring on stream, such as a Colombia, where you are reducing tariffs... We're already competitive there. This will make us that much more competitive vis-à-vis our major competitors: Brazil, the U.S., and Germany.

**Hon. Scott Brison:** Thank you.

Mr. Ferro, thank you very much for appearing before us today and for providing a perspective from a Colombian who is engaged both in rights issues and social investment and in business and trade.

Are you saying that investments from Canadian companies in creating the kinds of jobs that Colombia needs can help improve social conditions in Colombia and social investments in education in Colombia?

**Mr. Mauricio Ferro:** Yes, and in help...look, for example, at the other way also. Last year we bought \$70 million in imports from Canadian companies. I think that's an important amount.

The kinds of things that we import from Canada, besides trucks and mining equipment, are also on the environment and also in consultancies on human rights and social engagement with the community. There, Canada has an expertise and a role to play, and I think that in the future, Colombia needs this kind of expertise from Canadians and from Canada.

**Hon. Scott Brison:** Is much of the violence in Colombia a result of a civil war that has become more of a drug war, one that began along ideological lines but has now become more of a drug war?

**Mr. Mauricio Ferro:** Absolutely. The problem with the displacement of people is that the warlords who control a territory have the monopoly on drug trade, so there is a fight to control a territory.

In that sense, Professor Giddens said in a famous article that a frontier territory is a territory where there is no law and no state institutions, and that is the problem with Colombia. In many regions of Colombia, we have no presence of the state: no state institutions, no help, no education, and no jobs that provide a decent standard of living to the population.

Thirty years ago, before Cerrejón was here, no Colombian had expertise in mining or coal mining. Now, basically every one of the 10,000 employees who are here are Colombians. They have been trained in Colombia and they have decent salaries that support a higher standard of living.

**Hon. Scott Brison:** Do you see economic engagement and foreign investment as a way to create jobs that can help wean Colombia off the violent drug trade?

• (1700)

**Mr. Mauricio Ferro:** Absolutely, because there is no agricultural crop as profitable as the drug trade.

**Hon. Scott Brison:** Mr. Benedict, I would certainly enjoy a longer meeting where we can discuss more granularly the specifics of the amendment. You started off your testimony saying that you saw it as a positive sign. Then, in a response to Mr. Julian's question, you said it wasn't credible.

I suspect that when we have the opportunity to meet and to review granularly the specifics, and with the fact that we will have an opportunity on an annual basis at this committee to hear from witnesses like yourselves and to study the report, which will be written by Canadian public servants, you will go from being a detractor to being one who demands that it be part of every free trade agreement, if, in fact, any of your member organizations ever support one.

I would certainly welcome the opportunity. Part of politics is pedagogy. If I can help educate you as to the benefits of economic engagement on human rights, I certainly want to help in any way I can.

**The Chair:** Thank you, Mr. Brison. We'll look forward to that.

Mr. Holder, are you going to start again? We have five minutes on this side. How you want to spend it is up to you.

**Mr. Ed Holder:** Thank you. I think I'll do a redirect, Mr. Chair.

Thank you very much.

Again, to our guests, I appreciate what you've said.

We had testimony a couple of weeks back from a Saskatchewan processor, an exporter of pulse crops, primarily, Murad Al-Katib, and he talked about the challenge of putting red beans into Colombia. He said that we have a 60% tariff on red beans.

What's particularly important about them is that it's a basic protein food for Colombians. He talked about it with great passion, because one of the difficulties that Canada has is that we effectively have no red bean market in Colombia because of the challenges associated with the tariffs. He talked about it almost like a human right: that there was an obligation to put nutritious and proper food into the hands of Colombians. I was very touched by that comment.

Mr. Casey, you've made a different comment. You've talked not so much about the tariff issues, although you have some tariff issues in some areas. Have you done any kind of study to have a sense of what the impact would be for Canadians and ultimately for Colombians should—as and when—we put the free trade agreement in place? What would the impact be in terms of jobs for Canadians and jobs for Colombians?

Because, by the way, lest we forget, we're talking about significant trade currently between our countries and what we're talking about now is putting a rules-based system in place with, I think, significant labour and environmental conditions that are not currently in place.

Do you have any sense, Mr. Casey, of what the impact economically would be in terms of your industry?

**Mr. Andrew Casey:** From our standpoint, as I said earlier in my testimony, we're looking at a market of about \$750 million a year in forest products, which is what they're importing. If we become more competitive in that marketplace, we will obviously grow what we're already selling there, which is about \$60 million worth.

So going from \$60 million to anywhere upwards of that is going to be helpful. It's going to keep some mills open, and maybe open new facilities and new product lines, whatever it may be. I think it's safe to say that at a minimum it will keep jobs, but I think it will actually grow jobs if we get greater access.

The other point I would make—and maybe it speaks a little bit to your point on the beans side—is that some of the products we're selling there are a version of a raw product. With pulp, of course, you take pulp and turn it into other products. So that is selling a raw commodity to their paper-making industry, which is obviously growing, given that their pulp imports are growing at remarkable rates, at about 17% a year. I would take it that anything that can help their industries grow locally is going to benefit their economy and raise their standard of living.

Our industry pays on average about \$47,000 a year, a fairly good wage, so I would presume if we can get that matched in Colombia, that would be a fairly good wage there too. I don't think they'll get to those levels, but anything that helps along that road I think would be beneficial to their economy.

**Mr. Ed Holder:** Thank you.

Ms. Hallé, for the record, I did not at all intend to misrepresent your position, so I thank you. As much as I got a little garbled at the end there, I certainly would not want to misrepresent your perspective. I want to make that very clear.

Mr. Ferro, you live there. You're there 12 months a year. One of the things that you talked a lot about was corporate social responsibility. I haven't heard that spoken about a lot. But what I did hear you say in your earlier testimony was that you spoke of founding a college for post-secondary, for training. You have 10,000 employees in Cerrejón.

I'm trying to get a sense of why your firm would do that. What inspired your company to choose to take this approach, which seems to me to be a fairly progressive attitude towards Colombians themselves? Would you help me understand that, please?

• (1705)

**Mr. Mauricio Ferro:** There is a very important reason. Non-renewable natural resources are going to end some day. Basically, some years from now, there will be no more coal to be extracted from our mine. What will happen to the population when there is no mine? What are they going to do? How can they live? What kinds of jobs are they going to have?

We have to build an industrial infrastructure that will allow the population to have a high standard of living after the mine closure. We are in the business of sustainable development. The only way to achieve that is if we can build an industrial infrastructure that doesn't depend on coal.

**Mr. Ed Holder:** I understand that you're actually living in Kanata, so unless that's in Colombia, you actually spend a fair amount of time in Canada; I wanted to clarify my own comments.

Elections are coming up on May 30, 2010. We've seen some polls recently which suggest that five of the top presidential candidates, of which, I understand, there are six, support the free trade agreement, Mr. Ferro, and that somewhat less than 5% of the population supports the Polo Democrático Alternativo, which is against free trade. Do you have any opinion on why some 95% of the population of Colombia is supporting parties that support the free trade agreement?

**Mr. Mauricio Ferro:** There is a basic reason behind that: we believe that Colombians are industrious people. We work hard and

we want to improve our standard of living. We know that the only way to improve it is if we have jobs, and good jobs, at that. The only way to achieve that is by integrating ourselves in a globalized economy. A means of achieving is to reach free trade agreements with countries like Canada.

As a side comment, one of the things I am afraid of if we don't sign this free trade agreement is the following. I told you that we sourced \$70 million from Canada last year, and that's an average of the things that we buy from Canada; the next time around, we will source those things from Brazil or from China. So I think it's extremely important and in the enlightened self-interest of Canada and Canadians to sign this trade agreement.

**Mr. Ed Holder:** And I would imagine that we're allowed to have a little enlightened self-interest in this process.

I thank you for your testimony, sir.

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

We have time for two quick ones, I think.

Monsieur Guimond, for five minutes.

[*Translation*]

**Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Thank you, Mr. Chairman.

Good afternoon, everyone.

Ms. Hallé, I want to congratulate you and thank you for your testimony. It was very eloquent and very clear, particularly since you have experience in the field in Colombia. You have spent a number of months there. You know what you're talking about, and this is very eloquent. I thank you once again.

I'm a farmer. In my life, I've been president of an agricultural union. If I had worked in Colombia, I would probably be on the Colombian government's black list. I understand what's going on. Population displacements affect families, of course, but also peasants and farmers.

In your presentation, you said the government was financing population displacements. Can you tell me a little more about that?

**Ms. Tania Hallé:** What's going on, in concrete terms, is that the army, in collusion with the paramilitary, are displacing peasant communities where lands represent an economic interest in the context of a potential export development project. You have to understand that these communities had a functional local economy, but that that has been destroyed. These are unemployed people who are being given work. They had a functioning economy, but the army displaced them because these lands represented an economic interest. Subsequently, they finance the companies that implement agri-industrial projects on their lands. These peasants are converted into cheap labour on the plantations. No, their living conditions have not improved. No, they haven't created good jobs for them. That's absolutely false.

As regards the financing of these businesses by the agricultural financial company, we now know that a number of members of the boards of these businesses have serious ties to the paramilitary groups. This is absolutely deplorable. The main African palm company in Bajo Atrato is Urapalma. However, one of the members of its management committee, Antonio Zúñiga Caballero, belongs to a family recognized for its connections with drug trafficking in Colombia. That family's tentacles have extended into the government's agrarian bodies. His daughter, María Fernanda Zúñiga Chau, was a member of another African palm business in Curvaradó, but she was also a director of Fido Agraria, a rural development trust company in Colombia. That body, which reports to the department of agriculture, gave Urapalma, in which her father is involved, the equivalent of CDN \$1.85 million in agrarian bank credits. That gives you an idea of how things work.

These businesses were established on the lands of the communities following their forced displacement. Brigade XVII of the Colombian army is directly involved. It joined forces with the paramilitary to conduct the forced displacement. Yes, the government is directly responsible. In our opinion, the implementation of a free trade agreement between Canada and Colombia would merely worsen this kind of situation. That's how they implement development projects in that country.

• (1710)

**Mr. Claude Guimond:** I respect what the other people say around this table, but it's being said that an agreement of this kind will improve the country's economic health and create jobs. I would like you to take the remaining time to tell us, based on the experience you have acquired in the field in Colombia, what the benefits of this kind of agreement in Colombia would be. Would there be any?

**Ms. Tania Hallé:** They are very hard to see. As I was saying earlier, the communities we work with had functional local economies. They produced foodstuffs; they sold them at the local market, and on the national market. As regards a free trade agreement, first, we know that the farmers market in the countries of the South—this isn't just the case in Colombia—are inundated by foodstuffs from the North. Peasants can no longer sell their inventory into the local market. They're stifling their economy. That's not counting the fact that their lands have been confiscated in order to implement agri-industrial projects such as the African palm project. This palm is intended for export. Incidentally, the palm is intended for European and North American markets in the form of biofuel.

These peasants are being turned into casual plantation workers. In fact, I should even call it a new form of slavery. Workers on the plantations don't even earn wages. In exchange for their work, they receive chits that enable them to get their foodstuffs from the stores that belong to the same entrepreneurs, that is to the palm companies. We're going back to colonization. This is a new form of slavery. This is how development projects are implemented in Colombia. We don't believe that a free trade agreement between Canada and Colombia would improve the situation. I really don't see how that would be possible.

[English]

**The Chair:** Thank you.

You can have a very quick question, Mr. Cannan. You'll have a couple of minutes and then we'll have Mr. Brison close.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair.

Thanks to our witnesses.

Just quickly to Mr. Casey, coming from British Columbia, representing the riding of Kelowna—Lake Country in the Okanagan, just as Mr. Julian from British Columbia, I know that forestry is a big economic driver. I know that it is in Ontario and Quebec.

My understanding, in meeting with folks from the forest industry, is that the biggest advantage of this agreement is that it provides some certainty, rules-based trading, so some certainty and confidence for investors. Can you just clarify what that means to the forest sectors of those specific provinces?

• (1715)

**Mr. Andrew Casey:** Yes. Specifically, the newsprint is one that gives us great certainty. There is no tariff there now, but this locks that in. Colombia could access a tariff under WTO of up to about 35%, I think it is, and that could come in at any time. This locks in the zero rate on the newsprint.

The other parts give you certainty in the sense that once all the tariffs come down, you're essentially competing. Basically, you can get as productive as you possibly can and beat out your competitors in other countries. We're pretty darned good at that, so we feel pretty confident about the fact that we can take advantage of that new marketplace. It's a diversification.

I can't say where products are coming from, but if you increase a pie for one part of the country, they'll divert their product there. That opens up space in other parts for other parts of the country. It generally balances out because we're such a global marketplace.

**Mr. Ron Cannan:** Certainty and stability, like the softwood lumber agreement...

**Mr. Andrew Casey:** Absolutely.

**A voice:** Oh, oh!

**Mr. Ron Cannan:** Thank you, Mr. Chair.

**The Chair:** Thank you.

I think we have time for one quick question. You can have a couple of minutes, Mr. Brison, and then we'll wrap.

**Hon. Scott Brison:** I'd like to ask each of you about the role of FARC in Colombia in terms of violence against Colombians, as well as the role of the drug trade in terms of violence against Colombians.

Secondly, I'd like to ask Mr. Ferro about the role of Venezuela in hosting FARC, the role of the Hugo Chavez administration in hosting FARC—you have operations on the border with Venezuela—and more broadly, the recent threat by Mr. Chavez to cut off trade to Colombia and what effect that would have on the economy.

Thirdly, Mr. Ferro, since 2002, President Uribe has been president of Colombia, and since 1999, Hugo Chavez has been head of Venezuela. Can you describe what has happened in each of the countries and whether things have improved under Chavez in Venezuela and also whether things have improved under President Uribe in Colombia?

**The Chair:** I'm sorry. We may not have an opportunity. The bells are flashing. That indicates that the House of Commons is about to have a vote. The members have to return to Parliament Hill. We would need unanimous consent of the committee to continue, even to have an answer to that question. Is there unanimous consent...?

There is not unanimous consent.

We don't need a speech, thanks.

I will just have to wrap it up. I'm sorry, Mr. Ferro, that you haven't had an opportunity to answer that great question, but thank you very much for your participation.

Also, to our panel, I'm sorry that time is so limited at these things that you were unfortunately not always able to complete your answers. Thank you for coming.

That's it for today. We'll be back on Thursday.

The meeting is adjourned.

---







**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*  
Publishing and Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,  
retourner cette COUVERTURE SEULEMENT à :*  
Les Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of  
the House of Commons

### **SPEAKER'S PERMISSION**

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and  
Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5  
Telephone: 613-941-5995 or 1-800-635-7943  
Fax: 613-954-5779 or 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the  
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

### **PERMISSION DU PRÉSIDENT**

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les  
Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5  
Téléphone : 613-941-5995 ou 1-800-635-7943  
Télécopieur : 613-954-5779 ou 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à  
l'adresse suivante : <http://www.parl.gc.ca>