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Chair: The Honourable Judy A. Sgro



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• (1530)

[English]

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

This is meeting number 93 of the Standing Committee on International Trade.

Today's meeting is taking place in a hybrid format pursuant to the Standing Orders; therefore, members are attending in person in the room and remotely using the Zoom application.

I need to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those online, please mute yourself when you are not speaking. For interpretation online, you have the choice, at the bottom of your screen, of floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I ask all participants to be careful when handling the earpieces in order to prevent feedback, which can be extremely harmful to interpreters and cause serious injuries. Please speak only into the microphone your headset is plugged into and place earbuds away from the microphone when they are not in use.

As a reminder, all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding.

If any technical issues arise, please let me know immediately, and we will suspend to ensure that interpretation is properly restored before resuming proceedings.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, February 6, the committee is beginning its study of free trade negotiations between Canada and Ecuador.

We have a draft budget that's been circulated to all of the committee members in the amount of \$15,150. Is there any discussion on that?

Is everybody in support of the draft budget?

Some hon. members: Agreed.

The Chair: We have with us today, from Amnesty International Canada, Kathy Price, Latin America campaigns coordinator. We have, from the Canadian Centre for Policy Alternatives, Stuart

Trew, senior researcher. From Cereals Canada, we have Mark Walker, vice-president, markets and trade; and, from MiningWatch Canada, we have Viviana Herrera, Latin America program coordinator, who is here by video conference.

Welcome to all.

We'll start with opening remarks and then proceed with rounds of questions.

Ms. Price, I invite you to make an opening statement of up to five minutes, please.

Ms. Kathy Price (Latin America Campaigns Coordinator, Amnesty International Canada): Thank you.

The UN working group on the issue of human rights and transnational corporations has called on all states to negotiate only such international investment agreements that are compatible with their international human rights obligations. The UN working group has also called on all states to conduct impact assessments of international investment agreements on human rights and the environment.

Canada must comply with this recommendation to ensure that trade and investment objectives do not put human rights obligations at risk. So far, we have heard only that Canada's trade minister will table an economic impact assessment in Parliament alongside the text of any agreement reached with Ecuador. This suggests that human rights goals and indigenous rights goals are not a serious consideration. They must be.

We are equally concerned that while stakeholders in Canada were invited to a consultation about a possible FTA with Ecuador, human rights, environmental and indigenous peoples' organizations in Ecuador have been neither informed nor consulted. Canada says that mining and critical minerals are key areas for Canadian investment and avenues for growth in Ecuador. Those who will be impacted must be consulted. That's why we made space in our input to get consultation for the voices of women human rights defenders with an organization called Amazonian Women Defending the Forest.

These indigenous women have faced death threats and attacks for speaking up about the impacts of resource extraction projects in their territories. This includes elevated levels of gender violence against women and girls, which have coincided with the arrival of mining and oil companies and militarization.

This is what Amazonian women had to say in a public statement and want you to know. They state:

Currently, our rights and our territories are being seriously threatened by Canadian companies like Solaris Resources and Aurania Resources, which do not respect the collective rights of Indigenous peoples and operate illegitimately in Indigenous territories in Morona Santiago. Therefore, without the participation and the free, prior and informed consent of Indigenous peoples, such an agreement would pose a clear violation to our rights, which have been recognized at the international level by the United Nations Declaration on the Rights of Indigenous Peoples, Convention 169 of the ILO on Indigenous and Tribal Peoples, and the American Declaration on the Rights of Indigenous Peoples.

Indigenous peoples' rights are not respected in Ecuador, even though it is a party to the ILO convention 169 and other international instruments. Authorities and companies disregard indigenous peoples' rights through policies and large-scale projects, such as oil and mining, that have not received their free, prior and informed consent and have affected their territories, environment, health, water and food sources.

Last May, Executive Decree No. 754 was issued. It allows mining companies to commence activities without indigenous peoples' free, prior and informed consent. The Office of the United Nations High Commissioner for Human Rights has expressed deep concern.

There are other issues of deep concern. Companies are being allowed to continue to install climate-destroying gas flares on their oil platforms, despite a court ruling. Human rights defenders who speak out against irresponsible resource extraction suffer false accusations and attacks. Indigenous leader, Eduardo Mendúa, was shot dead last February.

Let me finish by sharing the words of Pablo Fajardo, an environmental defender who is at risk because of dangerous false accusations made against him by Ecuador's Minister of Energy and Mining. This is what Pablo Fajardo authorized me to share with you. He states,

In all operations of Canadian companies in Ecuador, respect for human rights must come first. We cannot continue allowing more sacrifice zones. We are not against extractive activity. What we are against is the way things are being done now. The economic rights of corporations cannot be allowed to prevail over our rights to water, clean air, land, community harmony...

● (1535)

It is essential that this committee invite Pablo Fajardo and other witnesses from civil society organizations in Ecuador, who will be impacted by a free trade agreement between Ecuador and Canada, to provide input about the goals. This would be inclusive, progressive trade and investment.

Thank you.

● (1540)

The Chair: We have Mr. Trew for up to five minutes, please.

Mr. Stuart Trew (Senior Researcher, Canadian Centre for Policy Alternatives): Thanks very much to the committee on behalf of the Canadian Centre for Policy Alternatives. I appreciate the

chance to comment on a possible free trade deal with Ecuador. While I will focus my comments on the possibility that a future deal includes an investor-state dispute settlement process, I would like to stress up front that I do not think these negotiations should proceed at all under the current civil emergency in Ecuador.

It would be opportunistic for Canada to exploit the current crisis and to fast-track a contentious free trade deal that Ecuadorian civil society groups know nothing about and will almost certainly not be consulted about over the course.

The recently passed China-Ecuador trade deal was condemned by a large section of Ecuadorian civil society, including the country's Confederation of Indigenous Nationalities, for the threats it poses to the environment and the rights of indigenous peoples, especially from mining and the expansion of monoculture commodities such as cacao, banana and oil palm, which are responsible for significant amounts of deforestation in the country. These groups were not adequately consulted on the China agreement, and they have not been consulted, as far as I know, on the possible Canadian FTA.

In public statements, Canadian and Ecuadorian officials have said that they want to pursue an inclusive trade agenda, as was just mentioned, that benefits workers, indigenous peoples and sustainable development. That will not be possible under the current circumstances in Ecuador, and will not be possible under Canada's standard negotiating approach.

Coming back to investment, there would be no chance of an inclusive trade deal if it includes a standard Canadian-style investment protection chapter and ISDS. A recent UN report states that the ISDS regime "is not fit for purpose in the twenty-first century because it prioritizes the interests of foreign investors over the rights of States, human rights and the environment".

Our own government cited these same risks as the reason it excluded ISDS from the renegotiated Canada-U.S.-Mexico agreement.

The Ecuadorian ambassador to Canada, a year ago, told The Hill Times that he hopes a possible Canadian FTA includes ISDS, since he said this would attract more Canadian mining and related infrastructure, such as the roads and power that go along with that.

Negotiating new investment treaty protections with Ecuador would be a terrible idea, given Ecuador's traumatic experience with ISDS, including several infamous cases from Canadian mining companies over the past two decades, and considering the brave decision of previous governments in Ecuador to pull the country out of the ISDS regime altogether, after it found the risks far outweighed the benefits.

As proof of this finding, in fact, the termination of Canada's investment treaty with Ecuador in 2017 has not affected Canadian investment flows into the country. Canada is currently the largest foreign investor in Ecuador, and that's without having treaty protections in place.

The option of disputing government decisions at ISDS tribunals instead of in domestic courts does not make projects more likely to move forward, but it can and frequently does undermine access to justice for local communities impacted by foreign investment. Their voices and their rights, under international human rights, indigenous and environmental treaties, tend to be ignored by ISDS tribunals, even where countries raise them in their own defence.

Large, and growing, ISDS awards into the billions of dollars can drain government funds from public services in extreme cases, as in Colombia, where money was moved from public services to pay for expensive ISDS claims.

Because of Ecuador's terrible experience under ISDS, the constitution in that country prohibits the government from ratifying international treaties that incorporate investment arbitration. However, this didn't stop the previous Ecuadorian government from including ISDS in a free trade deal with Costa Rica. That deal is currently in limbo, because the court declared it unconstitutional as a result of this constitutional ban on arbitration.

In conclusion, Canada should not launch negotiations with Ecuador until it is clear that the Ecuadorian government has a social mandate to do so, in particular from indigenous peoples and groups who are most impacted by foreign investment. There can be no inclusive trade deal with Ecuador if these voices are excluded from the discussion.

Finally, ISDS should be a non-starter in any future negotiations. It contradicts the statements from the UN, it contradicts the government's own policy and it may in fact be illegal under Ecuador's constitution.

Thank you.

The Chair: Thank you very much.

Mr. Walker, you have up to five minutes, please.

Mr. Mark Walker (Vice-President, Markets and Trade, Cereals Canada): Madam Chair, members of the committee, thank you for having me here today on Canada's Agriculture Day.

Cereals Canada is the national industry association for wheat, durum, barley and oats in Canada. We represent the full value chain, from farmers to crop development companies, grain handlers and exporters. Our members focus on the benefits of export-led growth facilitated by access to diverse global markets. Canadian cereals are a staple food exported around the world to over 80 different countries. In an average year, our wheat, durum, barley and oats sector

generates \$68.8 billion in economic activity in Canada, including more than 370,000 Canadian jobs.

Wheat production in Ecuador is insignificant. Their milling industry depends on imports to mill high-quality bread flour. Canada's cereals industry has established itself as Ecuador's leading wheat supplier and holds a 60% market share on imported wheat. Our industry views Ecuador as a market with significant growth potential. During the last five years, Ecuador's average annual imports of Canadian wheat were valued at over \$285 million, a consistent top-10 export market for our industry. The nearly 750,000 metric tonnes of Canadian cereals exports to Ecuador each year account for 55% of Canada's exports to that country.

Cereals Canada supports bilateral trade negotiations with Ecuador to remove any remaining cereal import tariffs and to cement a rules-based trading system that protects market access for high-quality Canadian cereals. A key opportunity for FTA negotiations is the removal of remaining duties on Canadian oat imports. Ecuador retains an *ad valorem* tariff of 5% on oats other than those used for seed. Canada currently is the primary oat exporter in the Americas, and increasing market access to Ecuador will support market diversification of Canadian oat exports in South America.

Our sector has been supportive of the government's work to grow FTAs. These agreements have worked to reduce cereal import tariffs in the relatively few remaining markets where these tariffs still exist. The Canadian cereals industry has witnessed a shift in trade barriers from tariff-based to non-tariff-based, NTB, as the primary means of controlling imports. Unfortunately, there have been instances when, despite an FTA, market access has not increased. In these cases the use of NTBs frustrate potential gains from an FTA. While Canada has been able to grow our market share in Ecuador, experience in other wheat-importing markets, such as Peru, has shown that the imposition of import barriers through non-tariff measures remains a concern. In other regional markets, such as Mexico, we have seen government policy move away from science-based decisions and towards import restrictions on safe agricultural technologies.

When negotiating future trade agreements, and in implementing already agreed-to FTAs, Canadian trade officials—who do fantastic work, by the way—must increase their focus on including provisions governing the use of non-tariff barriers, risk-based scientific assessments, and timely, binding dispute resolution processes to re-open borders when barriers are put in place. These provisions would create the framework for a fourth-generation trade agreement, if you will.

The Canadian government and officials must continue to support the use of harmonized, science-based standards relating to maximum residue limits, MRLs. Science-backed MRLs harmonized at levels consistent with international guidance, such as Codex Alimentarius, provide transparent levels that protect consumers and support predictable trade. Canada's negotiators must recognize the trade-restrictive impact of setting MRLs and import tolerances at levels below harmonized international standards, and the market access obstacles this would create if Ecuador were to adopt this approach.

An effective binding dispute resolution mechanism to address non-tariff barriers, such as those based on sanitary and phytosanitary, SPS, issues, would be an important outcome in bilateral Canada-Ecuador negotiations. Canada's trade agreements should seek to provide an enhanced mechanism to effectively address these types of concerns. Rather than resorting to a multi-year international arbitration to determine whether an SPS claim is valid or not—as I'm sure committee members can appreciate, that would be quite challenging—a mechanism through which a panel of scientific experts, who can be quickly convened to consider the issue and quickly rule on whether there is a scientific basis, would be a preferable outcome in this sort of agreement. A bilateral trade agreement that includes good regulatory practices for non-tariff barriers would foster a stronger, predictable trade environment with Ecuador that allows food to reach markets where it is needed and contributes to global food security.

On behalf of our members, Cereals Canada expresses our gratitude to the committee.

Thank you, Madam Chair, for the interest in learning about the opportunities for a potential Canada-Ecuador free trade agreement. I look forward to your questions.

• (1545)

The Chair: Thank you very much, sir.

Ms. Herrera, please, you have up to five minutes.

Ms. Viviana Herrera (Latin America Program Coordinator, MiningWatch Canada): Thank you.

Thank you, members of the committee, for inviting us to this hearing.

MiningWatch Canada is a Canadian organization that for over two decades has worked in solidarity with indigenous peoples and non-indigenous communities struggling to protect their lives and territories from human rights abuses and environmental damage across Canada and by Canadian mining companies operating internationally.

Our partners in Ecuador are concerned about the lack of transparency and consultation regarding a free trade agreement between Canada and Ecuador. In a statement signed by our partners and other Ecuadorian social and environmental organizations, they talk of high levels of socio-environmental conflicts related to territories where Canadian mining is active. They say, “The territories are treated as sacrificial—a mentality which will be even more difficult to reverse if an FTA further cements legal protections for these investments.”

A central focus of this free trade agreement will be support for foreign investment in mining. Given the often violent imposition of mining development in Ecuador, it can be anticipated that a free trade agreement with Ecuador will exacerbate environmental conflicts, human rights violations, the militarization of territories and threats and intimidation against indigenous leaders who speak out against Canadian mining projects. Meanwhile, Canada still has no meaningful mechanism to prevent or provide redress for such abuses.

The most recent cases of violence related to Canadian mining in Ecuador involve Adventus Mining and Atico Mining. In July 2023 in an attempt to impose the pro-mining executive decree 754, vast police repression and intimidation were unleashed against indigenous and campesino communities opposing these two companies' activities.

Volker Türk, the United Nations High Commissioner for Human Rights, expressed his concern over the violence. He condemned the decree that allowed companies to start mining operations without free, prior and informed consent from indigenous communities. He said, “People directly affected by mining projects or activities must be heard, not repressed”.

The Canadian embassy visited both mining sites in a visit organized by the mining companies just a few weeks before the military crackdown, and it failed to denounce the violence.

Despite a large social movement against Canadian mining in Ecuador, Canadian mining companies and embassy officials have been actively involved in promoting the expansion of Canadian mining projects in the country, undermining indigenous self-determination. For example, in southern Ecuador, in a citizen-led initiative in 2021, 80% of the residents of Cuenca voted in favour of protecting water and against industrial mining in a fragile ecosystem that supplies water to tens of thousands of people in and around the city of Cuenca.

In the Amazon in 2019, the indigenous Shuar-Arutam people declared their territory free of mining and that their right to say no to mining projects must be respected. Canadian Dundee Precious Metals and Solaris Resources continue to pursue these projects, despite this clear rejection.

A free trade agreement that enhances corporate access to markets and capital will lead to greater impunity for Canadian mining companies that violate human rights, given that no mechanism currently exists in Canada to hold these companies accountable for such abuses.

Another major concern is the inclusion of an investor-state dispute settlement. The ISDS mechanism is commonly used by Canadian mining companies to sue countries in private supranational tribunals, for example, if they are denied mining permits. This restricts a government's ability to deny permits to protect their territories and water, or the human rights of their citizens.

• (1550)

Therefore, Canada must take ISDS off the table. As the Canadian government gets ready to initiate conversations with its Ecuadorian counterpart, we call on the Canadian government to halt diplomatic support for Canadian mining investments in territories that have already said no to mining.

No free trade agreement should advance without indigenous peoples' free, prior and informed consent. Canada suffers from a lack of accountability in its mining sector. As such, Canada should not advance any new trade with Ecuador without an empowered independent Canadian ombudsperson for responsible enterprise and without having enacted rigorous human rights and environmental due diligence.

Thank you.

• (1555)

The Chair: Thank you very much.

We'll go on to the members of the committee.

Mr. Jeneroux, you have up to six minutes, please.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Thank you, Madam Chair.

Thank you to the witnesses, and happy agriculture day as well.

Also, thank you to my fellow members of Parliament on my side for letting me go first on this important study.

If we could, I would like to start with looking at the top three exports to Ecuador. I have them listed as wheat, at \$299.3 million; refined oil, at \$164.8 million; and vegetables, at \$34.7 million.

Mr. Walker, you mentioned that concern about the non-tariff trade barriers, particularly on cereal, and the 5% on oats. Have you seen any signs in some of your earlier discussions that this is something the government is considering? Also, if you could perhaps weigh in, maybe in a bit more detail, that would be a great opportunity to make sure the government is aware of some of those concerns.

Mr. Mark Walker: I would respond by highlighting our fairly consistent asks, both at this committee and to trade officials. We see the government's trade agenda as a great opportunity for building these structures within these agreements to make sure that reliable dispute resolution is available across SPS measures and to make sure that it's binding, timely and effective.

Mr. Matt Jeneroux: It's also Ecuador and the share of exports by province and territory. For my home province of Alberta, it's very high, with 44.6% of the exports. That's \$269.2 million. We've seen a recent trade agreement come through that really focused heavily on implementing a carbon tax within the country. We're concerned—and watching this closely, obviously—that this potentially might be for future trade deals.

Is there any indication you've seen, Mr. Walker, in some of your work? As we know, the last time the Government of Ecuador attempted to remove a fossil fuel subsidy from gasoline and diesel, there were riots, and the army had to be called in. I can only imagine that something like a carbon tax would be untenable in a situation like this.

Mr. Mark Walker: It has not been our experience that prices on carbon and carbon taxes would be a standard clause in a trade agreement. Generally, we would be cautious and wary of sustainability provisions making their way into a trade agreement. Our industry, as I mentioned, supports export-led growth, and we would want to see that continue within any future trade agreements.

Mr. Matt Jeneroux: To go back to some of the non-tariff trade barrier concerns, just to be clear, you're supportive of removing the 5% on oats.

Mr. Mark Walker: Yes.

Mr. Matt Jeneroux: Is this something you've had success with in other trade agreements that you can reference?

Mr. Mark Walker: To us, tariff-free access is becoming table stakes. The government has done a good job of negotiating with the negotiators down to levels that are virtually tariff free. That is becoming an expectation that we would want to see continue.

We believe that removing the tariff on oats will have significant impacts on exports to Ecuador and then throughout the region as well. It is a growing market for oats, and one that we would like to see continue.

Mr. Matt Jeneroux: Yes, I don't necessarily disagree with you. I'm just curious about whether there are other examples you can point the negotiators towards that are perhaps a good example that they can follow.

Mr. Mark Walker: Definitely. The Canada-U.K. FTA was being negotiated, and we have tariff-free access under the trade continuity agreement, which we're happy to see continue. We were looking to that agreement to see improved dispute resolutions on a variety of SPS issues. We look forward to those negotiations continuing.

• (1600)

Mr. Matt Jeneroux: Other products with high tariffs include textiles, vehicles and agricultural goods. We would sometimes see those tariffs at 11.2% in 2021. Obviously, this is an opportunity to lead by example. We're certainly supportive of some of those barriers being discussed and implemented and moved as part of this trade agreement.

I guess I would allow you the opportunity to share why that's important, particularly to the cereals community but to the agriculture community in general. In my last 50 seconds or so, I'll turn it over to you to do that.

Mr. Mark Walker: As for tariff-free access, Canadian agriculture products compete as premium goods. They're not very price-competitive, so the lower the tariffs we have, the better we do. Canadian farmers produce some of the most fantastic crops in the world. Having tariff-free access allows us to maintain and create new markets.

The Chair: Thank you.

Mr. Miao, you have six minutes, please.

Mr. Wilson Miao (Richmond Centre, Lib.): Thank you, Madam Chair.

I welcome and thank all the witnesses for being here today.

Mark, it's good to see you. Happy agriculture day to all the farmers and members of the agriculture sector in Canada who put food on our table.

I also had the pleasure of visiting Cereals Canada in Winnipeg last summer to talk about the importance of my private member's bill, Bill C-244, to our agriculture sector in Canada. I know that Cereals Canada provides services to cereal producers across Canada, from advocacy to market support. If anyone has a chance to visit it, your lab is very impressive.

I understand that cereals are important in our agricultural exports with an annual export value of over \$10 billion. In terms of Ecuador, cereals were ranked the highest-value Canadian export in 2022. When I visited the wheat fields in the Prairies over the summer, some of the farmers shared with me the damage that climate change has caused to them, especially on the harvesting side and on the agriculture and agri-food sector as a whole. While we are advancing and building a more climate-resilient economy, diversification is also very important.

Mark, could you share with the committee the importance of trade diversification to our cereals sector?

Mr. Mark Walker: Of course, trade diversification is of critical importance to our industry. We are exporting to over 84 countries around the world. We are working very closely, hand in glove, with our Canadian trade commissioners, who do fantastic work every day.

In terms of roles for government, we've also seen fantastic work done here domestically in terms of supports for Canadian agriculture, whether that's enabling regulations for pest control products or whether that's investments in innovative technologies like zero tillage and minimum tillage. Those collaborative efforts with gov-

ernment really are insulating our industry against the impacts of climate change.

Mr. Wilson Miao: Mark, do you think a free trade agreement with Ecuador will help with diversification?

Mr. Mark Walker: Absolutely. I mentioned the 5% tariff on oats. Seeing that removed through these negotiations will certainly help diversify our oat markets. Canada is the largest oat exporter to the Americas. Securing that market for further exports will certainly be very beneficial.

Mr. Wilson Miao: In terms of the increase in extreme climate events that's happening right now throughout Canada, and continually taking place in the Prairies and across Canada, will trade diversification help the cereals sector have more choices of export destinations and generate more revenue, which can be reinvested into the sector to help it recover from extreme climate events?

Mr. Mark Walker: Looking at extreme climate events in Canada, we regularly experience in the western prairie provinces cyclical droughts. We had one a few years ago. Certainly, trade diversification is very helpful to increase the value-add for our products. As I mentioned, they compete at a premium.

On the investment that's needed and the reinvestment that's needed, we are seeing that our sector has become increasingly resilient. Whereas droughts would have crippled it some 40 years ago, due to some of the innovations I mentioned previously we were able to bounce back and not lose the yields we would have previously because of the innovation in our sector.

• (1605)

Mr. Wilson Miao: Would this free trade agreement with Ecuador help with that?

Mr. Mark Walker: Yes, unquestionably. We're very supportive of the free trade negotiations.

Mr. Wilson Miao: The next question I have is with regard to our Global Affairs trade commissioner service that has identified agriculture export as a key growth sector for the future of Canada-Ecuador bilateral trade.

Has your organization done any analysis on how opening access to the Ecuadorean market will impact your association and your numbers?

Mr. Mark Walker: Our group travels to Ecuador every year to meet with our customers there in the milling industry and to work with them on the functional characteristics of the harvest each year, which can vary from year to year. Wheat is not wheat. We know this, so improved and deepened ties with that country will certainly allow us to work more efficiently with our customers and market.

Mr. Wilson Miao: Can you share a little bit more on how we can advance this free trade agreement to make sure not just that the agriculture sector is looked after but that all other sectors across Canada can benefit from this trade agreement?

Mr. Mark Walker: I'm trying to maintain my agriculture hat as much as I can. Unquestionably, there are spillover benefits for a strong agriculture sector in Canada. I mentioned the 370,000 jobs that are supported directly and indirectly by our industry. We would, of course, expect spillover effects to other areas of the economy from a strong agriculture sector.

Mr. Wilson Miao: Thank you for sharing that with me.

The Chair: We'll move on to Mr. Savard-Tremblay for six minutes.

[Translation]

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

Thank you to the witnesses for their presentations.

Three of the presentations were fairly complementary. Mr. Walker focused purely on the trade side of things and the issue of harmonized standards. His comments were duly noted. However, I think the three other presentations were a good reminder that the building of trade relationships can't disregard the human element and human rights. Trade relationships are a good thing, but not at any cost, of course.

My first question is for Ms. Price.

In your presentation, Ms. Price, you gave us an overview of the situation in Ecuador. It's quite troubling, and I'd like to hear your recommendations.

What do you think we should keep an eye on? Above all, what would you like to see—or not see—in a future agreement?

[English]

Ms. Kathy Price: Yes, thank you for the observation that, yes, indeed, it is a very worrying panorama in Ecuador at this moment in time, a panorama that, in many ways, is becoming more acute. From the perspective of my organization, Amnesty International Canada, I come to this hearing with a number of recommendations.

The first is that Canada guarantee that no free trade agreement with Ecuador will advance without broad, transparent, meaningful consultation with affected indigenous peoples in Ecuador, creating conditions for and ensuring the participation of indigenous women and their organizations, including Amazonian Women Defending the Forest and other indigenous organizations, in this consultation. It's that no agreement advance without their free, prior and informed consent. This recommendation comes from compliance with Canada's human rights obligations in ensuring that trade and investment are not taking precedence over human rights and undermining human rights.

The second recommendation is for Canada to comply with the recommendations of the UN working group on the issue of human rights and transnational corporations, which I referenced in my comments. This means ensuring that there are no investor-state dispute settlement provisions, as my colleague has really spelled out. This is a recommendation of the UN working group on the issue of human rights and transnational corporations. This is to ensure *ex ante* and *ex post* human rights impact assessments in line with UN

guidelines, paying particular attention to the impact on indigenous peoples, racialized people, and women and girls.

The third recommendation is to ensure that there is mandatory human rights and environment due diligence through a legal framework enshrined in legislation and that, along with that, there is access to remedy when rights are breached by Canadian companies operating in Ecuador or, really, anywhere around the world.

Our recommendation is that you not proceed without any of these conditions that I have presented to you.

• (1610)

[Translation]

Mr. Simon-Pierre Savard-Tremblay: The government often says that most of the agreements it has signed in recent years contain chapters on human rights. However, those chapters are never binding. They are merely statements of principle. Actual binding mechanisms are never put in place, although Bill C-57 was successfully amended recently to add more binding provisions. The bill seeks to implement the trade agreement with Ukraine.

It's probably better to have the chapters than not to, since they do set out sound principles. Nevertheless, do the chapters give you any reassurance, seeing as they don't include binding mechanisms to implement the principles?

[English]

Ms. Kathy Price: No, there has to be implementation, and there has to be carry-through. This is also why we are recommending that there be human rights impact assessments before and after at regular intervals. This is a recommendation of the UN working group on the issue of human rights and transnational corporations. It's also a recommendation of the UN rapporteur on the right to food, for example. We do not have that at present with our free trade agreements. This has to be a necessary component in a free trade agreement. Without it, we should not be moving ahead.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Before we can negotiate those kinds of provisions with other countries, I think we need to have our own binding legislation.

Are you satisfied with the laws in place in Canada when it comes to goods made from forced labour, the monitoring of human rights abroad and the way Canadian corporations conduct themselves?

Do you think we could do a bit more, so we could at least say that we have a starting point?

[English]

Ms. Kathy Price: We're not satisfied with the status quo, absolutely not. That's why we have been advocating for strengthened powers for the ombudsperson's office and for binding legislation, binding human rights and environment due diligence, which we lack.

The Chair: Thank you very much.

We'll go to Mr. Cannings for six minutes, please.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you.

Thank you all for being here today. It's been very interesting. I wish we had all day to speak to you.

I'm going to start with Mr. Trew. You had some strong words about what Canada's role should be here and what Canada's direction should be in these negotiations—literally to stop them. A lot of this centres around the combination of these ISDS mechanisms in free trade agreements along with the track record on human rights in many countries, especially in Latin America.

You mentioned that Ecuador had tried to get out of all its free trade agreements in 2017, after it was hit with a \$2-billion claim through an ISDS process, I think from Occidental Petroleum.

I'm wondering if you could dive into this whole thing and why we can't get this right. Why do ISDS provisions always end up badly for countries, and especially for the people who are being affected by these Canadian investments in them and vice versa? Even in Canada, we are getting hit with ISDS claims by other companies. Could you dive into why we can't get it right and what you would suggest we do?

Mr. Stuart Trew: I don't know why we can't get it right. I mean, I think we did get it right in the Canada-U.S.-Mexico agreement. We simply agreed to get rid of ISDS in that new agreement. We made a big deal out of it when the deal was announced, because ISDS undermines our ability to pass environmental policies.

There are a lot of lawsuits and, across Latin America, ISDS is a major issue. A number of corporate cases involve public services and certainly involve Canadian mining companies abroad. Canada is the 12th biggest economy in the world, but we're the fourth most litigious country when it comes to companies using ISDS to challenge environmental decisions in other countries, challenges with respect to mining permits and whatnot.

For all the reasons I think this committee has talked about before, it's a pretty lopsided system. Voices of people who would be impacted by investments are really not considered. You know, you can put amici curiae submissions into these cases, but they're frequently turned down. When they are accepted, they're frequently ignored by the tribunal. There is simply no way to get into the discussion of issues other than the investors' desires to make a profit and the state's responsibilities in the treaty to that investor.

It's problematic for a number of other reasons, but those are the basics.

• (1615)

Mr. Richard Cannings: You mentioned how we got out of it in the CUSMA. Chrystia Freeland said, "ISDS elevates the rights of corporations over those of sovereign governments. In removing it, we have strengthened our government's right to regulate in the public interest".

Why we don't do that every time is my question. Lately, we've been putting other language into FTAs to say that nothing in the agreement affects either party's right to bring in legislation in its

own public interest, environmental interests, human rights, whatever, but it doesn't seem to work.

Can you maybe mention some of the cases there and what the problem is?

Mr. Stuart Trew: Yes. I think the language you are referring to is maybe some of the right to regulate clauses that Canada has started to put into agreements like the CETA and its model investment treaty from 2021. Those, I would say, are completely untested. We haven't seen cases under those agreements because they're not in force yet.

There is a book that came out a few years ago now that looked into modern language in some of the more modern treaties that Canada has been pursuing in other countries as well that tries to strengthen right to regulate provisions. It has not been highly effective. In ISDS, panels will use older treaties as a basis for the standards that these investors have in other countries. That's one of the reasons. You get these new treaties, but the decisions are being based on older reasoning.

Mr. Richard Cannings: I'm going to turn to Ms. Herrera with MiningWatch.

I'll ask you, Ms. Herrera, to comment on these issues in a real Ecuadorian context. What has been the history with Canadian companies or other companies in an Ecuadorian context? We have Ecuadorian communities that have really expressed their concerns about activities, yet they have been ignored by Canadian companies.

Ms. Viviana Herrera: Yes, sure. Thank you for the question.

What we know from our work in Ecuador is that there are at least 15 Canadian mining companies trying to advance mining projects in Ecuador. Most of these projects are known for their social and environmental impacts. Most of them are denounced by indigenous-encompassing communities because of their environmental impacts. Why is that?

The reason for that is that most of these projects are located in very ecologically sensitive areas, meaning in the Amazon and also in the páramos. The páramos are one of the most unique ecosystems in the Andes, in South America. These ecosystems—the páramos and the Amazon, as you know—are vital in our fight against climate change, yet these are the territories or areas where Canadian mining is trying to advance mining projects. Because of that, communities are saying, "No, we don't want these destructive mining projects in our territories, which not only are going to destroy the territory but are going to contaminate our water." Also, it causes division within the communities.

That's what we hear from communities over there—

• (1620)

The Chair: Ms. Herrera, thank you so much. I'm sorry to interrupt, but I have to move on to the next member of the committee. Thank you, though.

Mr. Seeback.

Mr. Kyle Seeback (Dufferin—Caledon, CPC): Thank you, Madam Chair.

Mr. Walker, I'm just wondering, cereals are the largest export or trade with Ecuador. If I look at the charts, it's somewhere between \$300 million and \$400 million per year. In 2022, cereals were somewhere in the area of \$300 million and something, wheat being the largest part of that, it looks like.

Do you have any estimate of how much trade would actually increase in a free trade agreement? Would we go from \$300 million to \$350 million, or \$300 million to \$400 million?

I'm just trying to get a sense of where this is going.

Mr. Mark Walker: For sure. Thank you for the question.

We would expect, given the growth that we've experienced in the last five years in the market, for that to continue.

What we see in this agreement is a fundamentally defensive exercise. I mentioned the SPS binding resolution and the need for a science base within the agreement. Making sure that we can maintain the market, as much as see those tariff reductions, is as much a goal here as anything else.

Mr. Kyle Seeback: Do you see a huge increase in the cereals export? Is it more that you want to maintain where we are? Is that kind of what you're saying?

Mr. Mark Walker: Given the rise in non-tariff barriers within existing trade agreements, we are very concerned about that. We would look to buttress efforts in that area to ensure that we can maintain the market.

I believe it is likely we could see continued growth in the market.

Mr. Kyle Seeback: When I look at Canada's trade, I think our exports.... The last number we had from the government, from 2022, is \$940 billion. If we go up \$30 million or \$40 million in trade with Ecuador, that's kind of a rounding error in enhancements of trade.

This leads me to this question: Why are we here? There are so many trade issues that the government has. We did a study on non-tariff barriers in existing free trade agreements. Those barriers are worth hundreds of millions of dollars, if not billions of dollars, but the government is choosing to focus on a free trade agreement with Ecuador. It doesn't make a lot of sense to me.

Mr. Trew or Ms. Price, do you have any idea why the government is deciding to pursue this free trade agreement?

Mr. Stuart Trew: I can answer that. I think it's possibly because Ecuador asked them to. This may be a bit on the pull side for them. There may be political or ideological reasons in Ecuador for that, within the current government.

I think you're right when you say there is not a lot in this for Canada in terms of new export access.

Ms. Kathy Price: I have no comments to add.

Mr. Kyle Seeback: I have no more questions.

Thank you.

The Chair: Thank you.

Mr. Arya, you have five minutes, please.

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

Mr. Walker, happy Agriculture Day.

Canadian farmers are very small in number, but they all make us proud. They have made Canada the fifth-largest exporter of agricultural produce and agri-food products in the world. The prosperity that we enjoy today is mainly due to the trade that the farmers and others export. I think 67.4% of the GDP in 2022 came from international trade, so it is international trade that gives us the prosperity that we enjoy today.

For us, every single trade agreement is important. We have about 15 trade agreements with about 51 countries, accounting for about 60% of the world's GDP, and we need more of that. Every small bit counts.

We also need to diversify from the exports that we are focused on. We are trading mostly with our biggest neighbour, the U.S., and we need to diversify our exports. That is one reason why we need to have as many trade agreements as possible with different countries in different parts of the world.

To hear some people—not my colleagues here, but some of the witnesses—seem to indicate that we should not have trade negotiations until certain conditions are met, many times they don't understand that the trade agreement is required, especially for countries like Ecuador. Though it is an upper-middle income country, it is still a developing country. There are still a lot of people in the poor and lower-income group, and trade agreements like this will stimulate economic investments.

It has become very fashionable in Canada to pick on our mining companies. Our mining companies take their corporate responsibility quite seriously. However, I do agree that there are mining companies in poor or developing countries that are from other countries and that exploit where they set up the mines. To apply the same...and paint the Canadian mining companies with the same brush, I think is not good for Canada.

I think we forget that the trade agreements and the investments from the agriculture companies or the mining companies not only stimulate economic growth where they are investing, but they also provide for the development of social infrastructure, from roads and schools to power generation.

When I was growing up, in my country we did not have trade agreements. Every summer I used to spend two months in our village where we did not have toilets or running water. I wish the country had trade agreements where foreign investors could have come and invested in the local economy, creating jobs and helping economic improvement.

Mr. Walker, I'll come back to the agriculture sector.

Ecuador is maybe a small market. Tell me, how does it help in the medium to longer term to stimulate Canadian exposure to the region as a whole?

• (1625)

Mr. Mark Walker: Thank you for the question.

Really, we view this agreement as a significant opportunity to solidify the market access that we have in Ecuador. For our industry, market maintenance is just as important as market development.

We have seen throughout the region an increasing derogation from science-based trading principles. I mentioned Mexico in my remarks. I mentioned Peru. Ensuring that those frameworks are in place within this agreement to resolve disputes based on science, to have agreed-upon procedures and to resolve them in a timely manner is really essential.

Mr. Chandra Arya: Thank you.

Another thing is that Ecuador has gone through various upheavals in its life. It has been an independent country for a very long time. It left OPEC in 2020, if I am not wrong, and joined back as an OPEC member.

Whether it is at the request of Canada or at the request of Ecuador, this trade agreement is being negotiated.

I just want to touch on investor-state dispute settlement. At the end of the day, in my view, Canada has to do what is good for Canada, the Canadian economy and Canadian companies. That is what our trade negotiators have been doing, and I hope they continue to focus on that.

I think my time is up, Madam Chair.

The Chair: You have nine seconds.

Thank you very much.

Monsieur Savard-Tremblay, go ahead for two and a half minutes, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Mr. Trew, since the last comment was more of an opinion than a question, I'd like you to elaborate on the investor-state dispute settlement, or ISDS, regime.

The member said that that is what trade negotiators will keep doing. However, the infamous chapter 11 of the former North Ameri-

can Free Trade Agreement, or NAFTA, was removed from the Canada-United States-Mexico Agreement, or CUSMA. You recommend not including such a provision in future agreements, and I completely agree. Admittedly, though, the definition set out in the latest agreements is more restrictive than the one that was in NAFTA, which opened the door to all kinds of abuse.

If the definition is more restrictive, why is it still too broad?

[*English*]

Mr. Stuart Trew: I'm sorry. Could you please repeat the last part? Are you saying that in some of the new language we have...?

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: The ISDS regime is defined much more restrictively in the latest agreements, which means the system is less open to abuse than it was when NAFTA was in place.

Why do you think the definition is still too broad?

[*English*]

Mr. Stuart Trew: Okay. I think I understand. Thank you for the question.

To me, the question is that the language is still not restrictive enough. It leaves way too much room for arbitrators to continue to decide on cases based on their own standards with respect to what have become the customary international law norms with respect to investment protections. We see this all the time in cases.

There's still no requirement in Canada's modernized FIPA from 2021 to take into account other obligations on states when it comes to indigenous peoples or the environment. It's still a one-sided process. Only companies can bring cases against governments; you can't have counterclaims against the companies. There are all kinds of reasons. It's still the standard ISDS model.

If you look at some of the more recent cases against Canada under the new USMCA, or CUSMA—like the \$20-billion claim from Ruby River against Canada for the cancellation or the non-approval of an LNG plant in Quebec—they're using the new language. They're using the CETA language to make a case against Canada, so even under these new treaties, with this new language, the threat is clearly still there. Somebody still thinks there's a strong case. We're going to see the same kinds of cases popping up again and again.

• (1630)

The Chair: Thank you very much.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: You said they're using CETA, the Canada-European Union Comprehensive Economic and Trade Agreement, but I think you meant CUSMA.

[*English*]

Mr. Stuart Trew: Yes, I meant CUSMA.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I believe the claim involving GNL Québec has to do with the energy transition requirement.

[*English*]

The Chair: I'm sorry. Your time is up.

We have Mr. Cannings for two and a half minutes.

Mr. Richard Cannings: Thank you.

I'm going to continue with Ms. Herrera.

We've heard from other witnesses, including Amnesty International and Ms. Price, about the fact that the government in Canada has instituted the United Nations Declaration on the Rights of Indigenous Peoples legislation. We talk about free, prior and informed consent. We talk about meaningful consultation here in Canada in a very serious way. The courts have agreed, yet abroad we seem to forget all that.

I'm just wondering if you could talk about that in this context of what the Canadian government is saying outside Canada—what the Canadian embassy is saying in Ecuador, for instance—with regard to these principles, which this government—rightly, I think—holds so dear.

Ms. Viviana Herrera: In terms of what the Canadian embassy in Ecuador, in Quito, is saying about this, what we find is that, as before, there is still this promotion of mining, of Canadian mining in Ecuador. What we've seen in the last year or so is this tendency to emphasize that what Canada brings to the table is responsible mining—the language of “responsible and sustainable mining”, mining that is focused on women's rights and so on.

However, there's a huge gap between what the Canadian embassy and—I will also add—Canadian mining companies say in Ecuador and what actually happens on the ground. On the ground, communities affected by Canadian mining are seeing a very different story. What they're seeing is that even though there's this talk about human rights and respect towards indigenous peoples, in fact that's not happening.

For example, as I mentioned, in the Amazon, with the Shuar Arutam people, the Canadian mining company Solaris Resources was trying to advance the Warintza project in the Amazon, a vital area in the fight against climate change. The company is trying to advance a project without the consent of the indigenous communities. The company claims to have acquired the consent of the indigenous communities, but they've only talked to two out of 47 indigenous Shuar communities.

In all of this, we see the Canadian ambassador, for example, not denouncing the violence that communities face in Ecuador. Because of this, we see this diplomatic support towards mining companies over the safety and human rights of communities.

One thing that we fear, and that we're very concerned about, is that this situation is going to worsen if a free trade agreement is signed, because that will mean more mining investment in Ecuador and—

• (1635)

The Chair: Thank you very much.

I'm sorry to interrupt you again.

Monsieur Martel, you have five minutes.

[*Translation*]

Mr. Richard Martel (Chicoutimi—Le Fjord, CPC): Thank you, Madam Chair.

Mr. Walker, in 2022, Quebec's share of total Canadian exports to Ecuador was just 6.8%, as compared with Alberta's 44.6% and Saskatchewan's 26.3%.

Do you think Quebec has maxed out its exports when it comes to grains? Is there something else Quebec can develop to grow its exports?

[*English*]

Mr. Mark Walker: I would say that there is a distinction between western and eastern wheats. Eastern wheats that are exported from Ontario and Quebec do quite well in Latin America, just based on the dietary preferences and the different end-use products that are consumed there. We do see growth in Latin American countries for wheats and cereals both from Ontario and from Quebec.

[*Translation*]

Mr. Richard Martel: Mr. Walker, what are the barriers that the government should focus on in negotiating this trade agreement, to ensure that the interests of Canada's agricultural exporters are protected?

[*English*]

Mr. Mark Walker: As I said, we see this agreement as a great opportunity to strengthen various processes within Canada's free trade agreements, and we would look to our negotiators as well as the government to build on that. Binding dispute resolution processes and recognition of the importance of science-based decision-making are areas where we would welcome engagement from our negotiators.

[*Translation*]

Mr. Richard Martel: My last question is for you, Mr. Walker.

How likely is a Canada-Ecuador trade agreement to increase market access and the value of Canadian wheat exports?

[*English*]

Mr. Mark Walker: As I mentioned, there is the 5% tariff on oats. There is a not large but persistent market demand in Ecuador for Canadian oats, so we would expect that it is an abiding and persistent one. We would expect to see that grow with the reduction of that tariff.

[*Translation*]

Mr. Richard Martel: Thank you.

That's all for me, Madam Chair.

[*English*]

The Chair: Mr. Sidhu, you have five minutes, please.

Mr. Maninder Sidhu (Brampton East, Lib.): Thank you, Madam Chair.

Thanks to our witnesses for being here today.

As we all know, South America is a very important, growing region in the world for Canada. Having travelled to the region over the last two years as parliamentary secretary at Global Affairs, I've heard first-hand from Canadian companies operating in the region, and I understand that there are tremendous growth opportunities. Two-way trade is over \$20 billion and supports thousands of jobs here in Canada. We have multiple free trade agreements with countries in the region: Chile, Colombia, Costa Rica, Honduras, Panama and Peru, to name a few. Trade in the region creates opportunities for many Canadian sectors, as we heard today, including clean tech, energy, science, technology and innovation, life sciences, and agriculture and agri-food.

We heard Mr. Walker, in his opening remarks, mention that our trade agreement supports over 370,000 jobs directly and indirectly in the sector he highlighted through trade and local as well.

In the growing clean tech and renewables sector, we have jobs that are growing exponentially here in Canada, and our government is focused on building on that growth and momentum to unlock even more markets around the world.

Mr. Walker, you mentioned in your opening remarks that Ecuador presents potential for Canadian trade and industry. Can you speak to the impacts that our ambitious free trade agreements have had that have helped your industry achieve growth and trade diversity through markets around the world?

• (1640)

Mr. Mark Walker: As I noted in my remarks, we are supportive of the government's trade agenda. I would note that the Canadian cereals industry supports \$68.8 billion in economic activity, as well as 370,000 Canadian jobs.

With regard to the potential for growth within this agreement, I mentioned oats previously. I noted also that we are seeing trade increasing, given the tariff-free access that currently exists for wheat. We do see this as a potentially defensive exercise with this agreement, given the slide within the region with existing trade agreement partners Mexico and Peru constructing non-tariff barriers.

Making sure that we get those processes and this agreement right to make sure that we can maintain that market as a top-10 export market for Canadian cereals is very important for us.

Mr. Maninder Sidhu: You mentioned that your organization has travelled to Ecuador almost yearly. What are you seeing on the ground there in terms of your conversations with industry stakeholders?

Mr. Mark Walker: They love Canadian wheat. Canadian farmers do fantastic work year after year. We're very proud to be able to represent them, along with our industry partners. They have nothing but the best things to say about our products.

Mr. Maninder Sidhu: Do you support the agri-food industry, other than wheat, as well? In the city I represent, Brampton, we have a huge agri-food industry. What are you seeing there? Is there potential there, as well?

Mr. Mark Walker: Cereals Canada represents farmers, crop development companies, exporters and grain handlers. We see growth in Ecuador for value-added products, so we will work with millers, as well as bakers, in that country to help demonstrate the various uses for Canadian products so that they can make the best use of the products when they receive them. We do support agri-food abroad, as well.

Mr. Maninder Sidhu: Thank you for that.

Madam Chair, how much time do I have left?

The Chair: You have half a minute.

Mr. Maninder Sidhu: Okay.

My next question is for Ms. Price.

Ms. Price, you mentioned the importance of including indigenous peoples in trade agreements to ensure that those groups also benefit from economic prosperity. In our Canada-Ukraine Free Trade Agreement, we do have a chapter on indigenous peoples. How would you feel about that if it was to be included in something to do with the Ecuadorean government?

Ms. Kathy Price: I'm not qualified to assess the clause you're referring to.

What I said is what is necessary to include in a free trade agreement to ensure that Canada upholds its obligations to human rights and is careful to ensure that trade and investment objectives do not undermine human rights. That's why I've made the recommendations I have.

The Chair: Thank you very much.

Mr. Baldinelli, you have five minutes, please.

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Madam Chair.

Thank you to the witnesses for being here today.

It's quite an interesting study in regard to Ecuador being our 51st largest merchandise trade partner, with Canadian exports there at about \$600 million, \$300 million of which is wheat alone, and then refined oil at about \$164 million. Exports from Ecuador to Canada are at about \$679 million, with crude oil being number one, at \$178 million, and then precious metals at \$150 million.

Mr. Walker, you talked about how Cereals Canada is in favour of free trade discussions and looking to see if we could prevent non-tariff barriers in any future negotiations and address issues such as the 5% tariff on oats. In your opening remarks, you talked about Canada being, I think, the largest supplier of wheat to Ecuador in one category. What is that again?

Mr. Mark Walker: Within Ecuador, Canada has a 60% market share for wheat.

Mr. Tony Baldinelli: Excellent.

I can understand why you said they love Canadian wheat. In terms of the population and the resources that Ecuador needs for its population, those wheat exports are vitally important, would you not agree?

Mr. Mark Walker: I would absolutely agree.

Mr. Tony Baldinelli: Therefore, anything we can do in terms of increasing access, maintaining access and protecting that access is a net benefit to the population, the Ecuadorean people, I would suggest. Is that correct?

• (1645)

Mr. Mark Walker: I would completely agree with you.

Mr. Tony Baldinelli: Great. Thank you.

I want to ask Ms. Herrera a question.

I was just looking at an article you penned in the summertime. It deals with the issue of consent and indigenous support. You talked about the process for free, prior and informed consultation. I was just wondering, could you explain that process and how it works in Ecuador under their constitution?

The Chair: We have lost her, sorry. We're trying to reconnect.

Ms. Kathy Price: Could I make a comment in response to that question?

Mr. Tony Baldinelli: Sure. Please go ahead, Ms. Price.

Ms. Kathy Price: Just to—

The Chair: She's back. Sorry, Ms. Price.

I had stopped the clock. Why don't you repeat the question so Ms. Herrera has full access to it?

Mr. Tony Baldinelli: Thank you.

I'll come back to you, Ms. Price.

Ms. Herrera, I was reading an article you had penned earlier, which goes back to last summer. You talked about the whole process of obtaining indigenous support and the notion of free, prior and informed consultation, and that being required as part of the constitution. You were discussing the Dundee decision of the court in Ecuador.

I was just wondering, could you comment on that and provide a bit more detail on how that free, prior and informed consultation process works under the constitution?

Ms. Viviana Herrera: I'm sorry; I was locked out of my computer. It crashed.

This case is very concerning. Just for a very brief context, for over 20 years, communities in the páramo of Kimsakocha in southern Ecuador have been mobilizing peacefully against Canadian mining companies. Different companies have tried to advance gold projects in the highlands. Since then, because of this peaceful resistance for over 20 years, communities have organized themselves, and they have called for citizen-led referendums. These citizen-led referendums are part of the constitution, whereby communities can decide whether they want extractive mega projects in their territories.

In the last 10 years, at least three citizen-led referendums have been organized by the communities and, in all of them, at least 70% to 80%—in one of them, 90%—of the population have fought against Canadian mining.

It terms of answering your question, yes, last year and just a few weeks ago, concerning the Loma Larga project of Dundee Precious Metals in the páramo, there was a constitutional order that confirmed the suspension of the project because the indigenous communities had not been consulted. The project didn't get the free, prior and informed consent from the communities. For over one and a half years, the local court, the provincial court and now the constitutional court have reaffirmed that there was no free, prior and informed consent from the indigenous communities. In fact, we are aware that, at some point, the company denied the existence of indigenous peoples in the páramo of Kimsakocha.

As you see, this is one reason that communities in Ecuador don't want extractive mega projects in their territories. They have already said no to them. That's why in one of our recommendations, one of our asks, we echo communities when they say that if they have already said no to mining projects, their right to say no must be respected.

I would also like to echo very briefly that we need to hear from folks in Ecuador. There has not been an opportunity for communities in Ecuador to voice their concerns regarding this free trade agreement. If we are talking about an inclusive free trade agreement, voices from Ecuador need to be part of this conversation. So far that has not been the case.

• (1650)

The Chair: Thank you very much.

Mr. Sheehan, you have five minutes.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): [*Inaudible—Editor*]

The Chair: Mr. Sheehan, we can't hear you.

We've lost him.

Mr. Sidhu, you can throw a question in.

Mr. Maninder Sidhu: While we wait for Mr. Sheehan to come back, I'll ask a question.

Mr. Walker, I've heard great things about the lab, and I hope to visit one day when I'm in Winnipeg. Can you maybe speak to the innovative work that you're doing to innovate Canadian products for markets around the world?

Mr. Mark Walker: We have about 18 to 20 technical experts on staff. They do fantastic work with our customers around the world to make sure that, where they're using our products, they're doing so in the most effective way possible. That's everything from reducing milling cycles, depending on the end-product they want to use, to helping them troubleshoot with water absorption or different rise times. Our staff there who have the science backing are helping our customers daily to make the best use of the products.

Mr. Maninder Sidhu: You mentioned 84 countries around the world that your members ship to. What are the latest countries that you've been opening up markets in?

Mr. Mark Walker: We regularly travel to our core markets to do a variety of different work with them, but we're always happy to engage with new markets, not just on more traditional aspects but also existing customers who might be interested in new, different areas.

Several months ago, China purchased 200 metric tons of Canadian durum, which is something we're really excited about. Obviously, that's a bit of a drop in the bucket compared to other markets, but having that market look at new ways in which they can integrate that into their existing supply chains is very positive.

The Chair: We have Mr. Sheehan back on.

Mr. Sheehan, go ahead, please. You have two and a half minutes left.

Mr. Terry Sheehan: I apologize. I must have unplugged.

There are about 25,000 Ecuadorean Canadians living in Canada. We have a few in Sault Ste. Marie. They're leaders in the community and are part of the Latin association as well. They are very proud of their country. Some of them see this as a great opportunity to raise people up, in particular.

Ecuador joined the Global Trade and Gender Arrangement, the GTAGA, on May 15 as a means to work closely with Canada but also Chile, Colombia, Mexico, New Zealand and Peru to promote gender-responsive trade policies and advance gender equality and women's economic empowerment. On the same day, they also joined the Inclusive Trade Action Group, ITAG, in order to work together with those said partners, Canada, Chile, Mexico and New Zealand, to help make international trade policies more inclusive in order to ensure that the benefits of trade investments are more broadly shared. I think that is what we ought to be always looking for in our trade agreements.

To the panellists, do you have any comments on those two agreements?

Ms. Kathy Price: I would say what I said earlier, that it's very important to ask Ecuadorean women's organizations to answer that question for you, such as the Amazonian Women Defending the Forest. Ask them what they would say about what you're asking and what they would say about the regulatory environment in Ecuador to guarantee their rights.

Thank you.

• (1655)

Mr. Terry Sheehan: Would any other panellists like to make a comment on those two recently entered-into agreements? Okay.

My next question is for the grain growers—happy Agriculture Day. We're studying the supply chains in another study as well. You mentioned a few of the places where the grains are grown. How are they shipped? What ports are they exiting from and how well are the grain shipments being delivered to Ecuador?

Mr. Mark Walker: Infrastructure is of critical importance to our industry and a top priority for Cereals Canada. We travel around the world, as I mentioned, and meet with our customers every year. They always want to know how rail delivery is going in Canada. This is a top priority for us. We appreciate the interswitching pilot that the government brought in last year. We would highlight the great opportunity to extend the pilot to up to 30 months to improve competition within Canada and help reduce delivery times.

Thank you.

The Chair: Thank you very much.

Thank you to our witnesses for starting our very important study. This is very valuable information. Thank you to all of you.

I will suspend momentarily while we move in camera to deal with the travel budget and the Vancouver brief.

[Proceedings continue in camera]

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