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Chair: Mr. Peter Fonseca

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• (1835)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): Welcome, colleagues, to meeting number 16 of the Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development. Today we meet to hear from witnesses in view of our study on the role of the Canadian ombudsperson for responsible enterprise.

To ensure an orderly meeting, I encourage all participants to mute their microphones when they are not speaking and address all comments through the chair. When you have 30 seconds left in your questioning time, I will signal you with a paper. Interpretation is available, in English or French, through the globe icon on the bottom of your screen. This is for those who are using the platform for the first time. Please note that screen captures or photos are not permitted.

I would now like to welcome our witnesses for the first panel. From the Platform of Amazonian Indigenous Peoples United in Defense of their Territory, we have Ms. Aymara León Cépeda, sociologist and human rights coordinator, Peru, subgroup of oil spills. On behalf of the United Steelworkers, we have national director Ken Neumann, whom I've known for many years, and department lead Doug Olthuis.

Now we will invite our guests to make their opening statements of five minutes. We'll begin with Ms. Cépeda and then we will have, I believe, Mr. Neumann.

Ms. Cépeda, you may begin.

Ms. Aymara León Cépeda (Sociologist and Human Rights Coordinator, Peru, Subgroup of oil spills, Platform of Amazonian Indigenous Peoples United in Defense of their Territory (PUINAMUDT)): Thank you so much.

Good evening, ladies and gentlemen.

My name is Aymara León. I'm part of the technical team of four indigenous organizations from the Peruvian Amazon area. As such, I'm also part of the subgroup of the National Coordinator for Human Rights regarding oil spills.

Today I will address the case of Frontera Energy, a Canadian oil company that has impacted the territory of several indigenous communities. With that purpose, I will use some of the information that has been collected as part of an investigation supported by Oxfam.

Last, I want to say that Aurelio Chino, one of the indigenous leaders whom I work with, was supposed to be here, but he's at-

tending another very important meeting, so I apologize for his absence.

To begin with for some context, Frontera Energy is a Canadian oil company that operated a Peruvian lot from September 2015 until February 2020. This oil lot is located in the northern Peruvian Amazon area on the border with Ecuador. The lot overlaps with the territory of 25 indigenous communities that belong to the Achuar, Quechua and Kichwa nations.

What I want to focus on today is the environmental degradation that has been caused by Frontera Energy's operations. In these five years, Frontera Energy showed a general non-compliance with environmental regulations and sectoral regulations. They have constantly refused to give proper maintenance to the infrastructure of the lot, and they also have shown a lack of proper and fast response to the environmental emergencies that occurred in these past five years. As a result, we had more than 90 spills in oil lot 192.

This is an unbelievable record in our oil industry. Most of these spills were caused due to corrosion, that is, lack of maintenance, and also due to operational failures that could have been easily avoided if Frontera had complied with the environmental regulations.

This increase in oil spills has been, as I said, outrageous, and has doubled the average of the spills recorded in this same lot with the previous oil operator. If we look at the increase of corrosion spills, we can see that they increased 650% during the time that Frontera Energy operated the lot. It is important for us to mention that these spills do not occur in empty spaces in the Amazon region, but in the territory of these communities that are being impacted by them. In some cases, some communities have been impacted by almost 20 spills in the past five years, meaning that they have been highly exposed to pollutants such as hydrocarbons and heavy metals.

It is also important for you to know that the livelihoods of these indigenous communities depend heavily on the rivers, streams and lagoons and the forest, because they are dedicated to fishing and hunting activities. They depend on these lagoons for water, bathing, cooking and drinking. Their rights to health, to access water, to food and to access their livelihoods have been deeply affected by Frontera Energy's operation.

The current situation of their lot is that Frontera left without presenting and implementing an abandonment plan that aims to remediate all the environmental impacts that were caused during the operations of Frontera Energy. They have also left with several social commitments pending with the communities.

The indigenous organizations have taken several actions to try to stop these human rights violations, but they have not been able to do so. That is why indigenous organizations want the Canadian government to provide mechanisms to support their search for truth, justice and reparations for those affected by the Canadian companies. Indigenous organizations require neutral and independent entities that can surveil and investigate the human rights violations that have occurred in their territory. They want their voices to be heard directly and their testimonies and the evidence that they have of these impacts to be taken into account when conducting investigations.

Indigenous organizations currently do not feel that the CORE provides a fair and sufficient mechanism for them to report the violations that have occurred. We believe that the CORE should be strengthened and should incorporate intercultural principles for this to be a safe and useful space for those who have been affected by Canadian companies.

Furthermore, we believe the Canadian government should also develop other mechanisms or instances that not only investigate or sanction Canadian companies that violate human rights but also contribute to the reparation of such violations.

Finally, we believe there should be a full compliance of the Maastricht principles regarding extraterritorial obligations, for indigenous peoples to feel supported by the Canadian government in their search for reparations and justice.

That is my initial presentation. Thank you so much.

• (1840)

The Chair: Thank you, Ms. Cépeda.

Now we'll hear from—is it Mr. Neumann who will be speaking?

Mr. Ken Neumann (National Director for Canada, National Office, United Steelworkers): Yes, that's correct.

Thank you very much, Peter.

The Chair: It's good to see you.

Mr. Ken Neumann: Yes, it's good to see you. Thanks for having me.

My name is Ken Neumann. I'm the Canadian national director for the United Steelworkers. I'm accompanied today by Doug Olthuis, who is the department leader for global affairs in my office.

I would like to bring this committee back to January 17, 2018. I happened to be in Ottawa that day, standing beside the Minister of International Trade, who at that time was François-Philippe Champagne, as he announced the creation of the Canadian ombudsperson for responsible enterprise, the CORE. I was happy to be there. Those kinds of press conferences are sometimes a bit of a celebration of a milestone or an achievement, and that's what this was.

That 2018 announcement signalled a real change, a change from the failed policies of the Harper Conservatives, a change that would benefit communities and workers around the world that are impacted by Canadian mining companies. It is also a change that would benefit the mining industry by ensuring a credible way to investigate allegations of abuse and to call out those individual companies harming people. This formed the basis for a better global reputation for Canadian mining.

Minister Champagne and his government were very clear: the CORE would have the ability to independently investigate complaints, including the ability to compel witnesses and documents, but as we all know, this is not the case.

Knowing what I know now, I would not have joined Minister Champagne on the podium in January 2018. Without the power to compel witnesses and documents, there is no breakthrough; there is no good first step. Instead, we are stuck with what the Harper government put in place, just under a new name.

It is true that there is more funding. However, an ineffective office, even with more money, is still an ineffective office. If the Liberal government had followed through on its commitments, we would not have been stuck in the middle of a pandemic going over old ground and again making the case for the creation of an effective office.

A few weeks ago, the Steelworkers Humanity Fund released a report entitled, "Not Even the Bare Minimum" that linked poverty wages to the supply chains of Canadian brands and retailers in Bangladesh. That report amplified the voices of women and men in Bangladesh, where the women sewing our clothes earn between \$6 or \$7 per day—that's per day, not per hour. To earn living wages, garment workers' wages would have to be tripled. The right to a decent life, to a living wage is a basic human right.

The UN guiding principles on business and human rights are clear that companies must respect human rights throughout their supply chains. Companies have responsibilities that extend to workers employed by the supplier factories.

The CORE mandate includes the garment sector. An ombudsperson's office with effective powers could have a role to investigate allegations of human rights harms caused in garment supply chains and point the way to change, but not the CORE as it stands. We have no confidence that a complaint brought by Bangladesh workers would result in any meaningful investigation. An investigation that depends completely on the co-operation of the company being investigated is hamstrung from the start.

Keep in mind that many Canadian retailers appear intent on refusing to take the simple step of publicly disclosing their list of supplier factories. They prefer to continue to operate in the dark. Privately owned Canadian retailers that do not publicly release financial data have no inclination or incentive for transparency. The CORE as it stands can't begin to untangle the complexities of the global garment system.

As Canada's main mining union, the steelworkers are convinced that mining can make an enormous contribution toward the equitable social and economic development of communities in Canada and globally while minimizing the impact on the environment and meeting our climate goals, but for the potential to be realized, the mining industry must respect human rights. That is not often the case, giving Canadian mining a bad name in many parts of the world.

• (1845)

A strong and effective CORE could also give Canadian mining industry a leg-up on global competition. Communities impacted by mining are likely going to be more receptive to Canadian investment if they have a credible avenue in Canada in cases where they feel their rights are violated.

Financial markets and purchasers such as Microsoft are also becoming sensitive to issues of climate and human rights along supply chains. They will increasingly favour companies whose social licence to operate appears solid and is not tainted by lingering allegations of corporate malfeasance.

For all of these considerations, Canadian mining will benefit from a credible CORE. I can't say it more clearly than this. A strong CORE is good for the Canadian mining industry. Rather than resist and lobby against the office and the powers that are needed—

The Chair: Thank you, Mr. Neumann. I would ask you to bring it to a conclusion.

Mr. Ken Neumann: My last point is that the Canadian industry would do well to embrace it as a cornerstone of a global pitch. My final sentence is that the Canadian industry would be fully committed to human rights and the Canadian government would have in place an effective office that will hold our feet to the fire. The committee could—

The Chair: Thank you, Mr. Neumann.

We're going to proceed to questions from members. The first questioner is going to be a Liberal member, MP Maninder Sidhu.

Welcome to our committee.

He is new to our committee. He is also the parliamentary secretary.

Congratulations on your new role in international development, MP Sidhu.

You will have seven minutes of question time.

Mr. Maninder Sidhu (Brampton East, Lib.): Thank you, Mr. Chair. I'm happy to be part of this amazing committee and among this amazing group of people here.

I want to thank Ms. Cépéda, Mr. Neumann and Mr. Olthuis for being with us today and for providing their valuable insights.

Mr. Neumann, you finished off by touching on how industry can partner in our goal of ensuring that Canadian companies operating abroad are holding themselves to a high standard. What do you think industry can do to ensure that human rights violations can be avoided in countries where Canadian companies are operating?

Mr. Ken Neumann: I'm sorry. I missed the last part. What can Canadian companies do...?

Mr. Maninder Sidhu: What can Canadian companies do to ensure human rights violations don't happen in the countries that they function in?

Mr. Ken Neumann: Well, I think they should rely on the government. Basically, if you bring in strong CORE standards, as was initially contemplated in 2018 when Minister Champagne made that announcement, I think that is the deterrent, and companies will live up to their standards.

More recently, you've heard the news that for several companies—without naming them—there's a whole bunch of allegations being made where they're outside of Canada. That just gives us, as Canadians, a bad reputation.

We represent a good portion of the mining industry. I'm proud of our mining industry, because we probably have somewhat of an advantage. We have a much better social society. We have stronger trade unions that basically have a working dialogue with companies to make sure they live up to environmental standards and treat employees with dignity and have safety and health standards and all those things. The fact of the matter is that there's a lot of evidence—and there have been a lot of cases around the globe—where that has not been the case.

This is an opportunity, as Minister Champagne laid out in 2018, where we can bring forth that change to make sure that all these companies live up to a standard and that they're held accountable. If they're just allowed to do as they see fit, we're going to continue to hear what our sister talked about earlier in regard to what has happened with the oil spills and so on. There has to be accountability, and the government has to have the ability to subpoena and to do the things that we've asked for in the initial CORE.

Mr. Maninder Sidhu: Thank you for that, Mr. Neumann. There are definitely a great number of companies in the mining sector that are responsible as well. I came from the natural resources committee and I've spoken to many of them during testimony. Thank you for mentioning that.

Mr. Neumann, the Government of Canada and industry are partners in ensuring brand Canada, which you just spoke of, and we want to make sure that it remains strong and is well applied. How can the CORE further support these sectors in ensuring that human rights are upheld and the environment is protected? This is again touching on the first question, but more so on the environment angle now.

• (1850)

Mr. Ken Neumann: Maybe I'll turn that over to Doug, who has been working with some of that.

Doug, maybe you want to take that one.

Mr. Doug Olthuis (Department Leader, Global Affairs and Workplace Issues, United Steelworkers): Thank you so much.

The question from Mr. Sidhu is interesting. The Canadian government certainly can partner with private business in many ways to support those businesses, but the role of the CORE is not necessarily that.

The role of the CORE should be to investigate complaints. Now, that will be good for Canadian business, because it will be a credible way to clear the allegations. Either they'll be shown to be not credible or they'll be shown to be credible and there will be a path to remedy.

The CORE's job, in my view, isn't to make the world a better place for Canadian business. The CORE's job is to make sure Canadian companies take their responsibilities to human rights seriously. I appreciate the fact that we want to support Canadian businesses, which we absolutely do, but the best way to do that for this government, I think, is to have a credible way to investigate complaints to clear the air.

I hope that comes close to answering your question. Thank you.

Mr. Maninder Sidhu: Thank you, Mr. Olthuis.

I'm going to move to Ms. C peda on this.

Ms. C peda, I'm not sure what time zone you're in or what hour of the day it is where you are, but thank you for being with us today and providing your valuable insight.

How have state officials in your country been involved in facilitating the operation of Canadian companies? I am very interested to know that.

Ms. Aymara Le n C peda: I would say that state officials try to give partial facilitation for any kind of international or national company that is interested in the oil lots.

We do have regulations that give better points or facilitate the acquisition of oil lots for companies that have shown better environmental practices previously, but it's not directly to Canadian companies. I wouldn't say there are specific mechanisms for that.

Mr. Maninder Sidhu: Even in the domestic mechanisms you don't see any there. Okay.

Could you describe the policies and legislation surrounding corporate responsibility within your jurisdiction, or what you've seen?

Ms. Aymara Le n C peda: Yes. Unfortunately the regulations are not as strong or as effective as we would like them to be. The operator of the lot, the same lot as the previous operator, Pluspetrol, a Dutch company, also left the lot in 2015 without presenting an abandonment plan.

What we're seeing is that companies are repeating the same kinds of practices as in the past, and unfortunately our regulations, or the

enforcement of them, are not enough to protect the rights of indigenous populations, or the environmental rights in general.

There has been some progress, especially promoted by indigenous organizations. For example, in consultation processes we try to make the regulations better, but as I was saying, I don't think the enforcement capacity of our state officials is enough to stop these kinds of human violations. That's why lately indigenous organizations have tried to seek these international spaces for investigations or for justice, as sometimes their only means to have this justice and reparation. That's why we think it's so important to strengthen these kinds of spaces.

The Chair: Thank you, Ms. C peda.

We're moving now to MP Chiu for seven minutes.

Mr. Kenny Chiu (Steveston—Richmond East, CPC): I want to thank the witnesses for coming and testifying.

I have a question for Ms. C peda to start with.

I have learned that your organization and the United Nations Development Programme have released a joint report under PVTI, which has registered more than 1,200 reports of extractive industry impacts.

First of all, could you provide the report and submit it to SDIR for distribution in English and French, please?

Of the 1,200 impacts, I was wondering how many of these originated from Canadian companies.

• (1855)

Ms. Aymara Le n C peda: Yes, I will send that report for you to be able to access it.

Regarding your question about how many of these impacts have been caused by Canadian companies, because Frontera Energy hasn't presented their abandonment plan, we don't have all the official data that would allow us to know all the impacts that they've had. The only official data that we have regarding Frontera Energy, which is the only Canadian company in the oil industry in the Amazon area, is the number that I mentioned earlier. They've had around 90 spills during the five years they operated lot 192.

Frontera also operates on other lots that are outside the Amazon area. The data from that case I would not be able to provide right now.

Mr. Kenny Chiu: So Frontera is the only Canadian company or the only company operating in the oil industry.

Ms. Aymara Le n C peda: It's the only Canadian company operating in the oil industry, yes.

Mr. Kenny Chiu: Are other foreign companies operating in that space?

Ms. Aymara León Cépeda: Yes, other lots are operated by Dutch companies, Argentinian companies.

Mr. Kenny Chiu: Your organization also monitors them, and we have not heard similar offences from you or recorded by you.

Ms. Aymara León Cépeda: The organizations I work with do the surveillance basically in two oil lots, lot 192 and lot 8, which is operated by Pluspetrol. The number you mentioned earlier, the 1,209 impacted sites that indigenous monitors have helped discover, is in both of these lots, but mainly in lot 192 because it's the lot that these monitoring programs have worked the longest.

Mr. Kenny Chiu: Okay.

Other than environmental impacts, from what you have tabled to the committee, it seems already a pretty severe and bad impact on the indigenous community there, but other than the environmental nature, has there been any other human rights-related report against the Canadian company?

Ms. Aymara León Cépeda: Yes. What we also talk about in this investigation that we did with the support of Oxfam is how the social conflicts have increased in these oil lots because of Frontera's way of managing these social conflicts and their conflicting practices with the indigenous organizations.

We have reported to our own ombudsperson here in Peru that during the COVID pandemic Frontera left the indigenous communities without payment for the work they had done for Frontera Energy and they also stopped providing the social programs that should have continued during the pandemic.

Another thing the indigenous organizations have reported during the COVID-19 pandemic is that the indigenous organizations requested Frontera to allow the oxygen plant that is located in the lot to function as a medical oxygen plant in the context of COVID. Frontera Energy's response was they would only turn on the oxygen plant if they were allowed to restart the whole operation in the lot, which puts a condition on access to health for the operation of the lot.

Mr. Kenny Chiu: Thank you.

Has the presence of these foreign corporations led to any improvement in the lives of the local communities? You mentioned that Frontera has not lived up to the obligations they promised, but have they been able to bring positive changes to the community?

• (1900)

Ms. Aymara León Cépeda: What is normally argued is that because of oil operations the state gets some revenues that could be invested in projects such as building schools or other types of projects that could be implemented in the communities. Unfortunately, the amount that is destined for community development is not enough for them to build a hospital or contribute to projects that could significantly change their opportunities and their conditions. So yes, social funds go to them, but they are not enough to make an impact.

Mr. Kenny Chiu: In the remaining 30 seconds I have, is the amended improved CORE mandate the only way to receive the kind of justice you hope for? Could a litigation approach be taken?

The Chair: We are going to have to hold onto that question for another round.

Mr. Kenny Chiu: Thank you, Chair.

The Chair: You're welcome.

We are moving to the Bloc.

[*Translation*]

Mr. Brunelle-Duceppe, you may go ahead. You have seven minutes.

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

My sincerest thanks to the witnesses for being with us this evening.

We have spent two months studying the ombudsperson's role, and this evening, we have an opportunity to get answers to questions that have gone unanswered up to now.

Ms. Cépeda, I want you to know that Canadians and Quebecers should hear stories like yours more often because, unfortunately, they don't always know what is going on outside the country. Thank you for being here. Your contribution is extremely important, and your comments are now on the record.

You talked about Frontera Energy. To your knowledge, did Canadian authorities offer to help gather information in relation to Frontera Energy's corporate responsibility? Are you aware of any such assistance?

[*English*]

Ms. Aymara León Cépeda: No. Indigenous organizations have not received any kind of aid or help from the Canadian government to date in their search for justice, or in the case of lot 192.

What indigenous organizations have done is to address Frontera Corporation, not Frontera Energy in Peru but Frontera Corporation, recently with a letter for Frontera as a corporation to respond for the damages that their branch in Peru has caused.

[*Translation*]

Mr. Alexis Brunelle-Duceppe: Thank you.

My next question, you can answer given what you know of the situation.

Had the Canadian ombudsperson had greater powers, that is, the powers we have long been calling for, would Frontera Energy have been able to do what it did?

[English]

Ms. Aymara León Cépeda: No. Definitely we believe the pressure and the public image of oil companies is very important for them. When we have pronouncements or statements from public entities or from government entities, we do believe change can be made. If we had a proper investigation and a proper public report that would have the evidence of what Frontera is doing with these indigenous communities, we believe their public image would be affected and they could have more pressure into complying with the Peruvian environmental norms that would then impact the indigenous people's rights.

[Translation]

Mr. Alexis Brunelle-Duceppe: Before I turn to the other witnesses, I have one last question for you, Ms. Cépeda.

You are someone with expertise in this area, so your answer and your remarks will certainly be insightful. What you say today will be taken into account, helping to inform the committee's report.

Many Canadians and Quebecers see Canada as a human rights leader. I will not go so far as to call it the worst offender in the world, but I don't think its record is as good as everyone thinks.

Given your experience in Peru with Amazonian indigenous populations, how do the Canadian companies operating on your territory rank against companies from other countries? The same, worse or much worse?

• (1905)

[English]

Ms. Aymara León Cépeda: In the case of these organizations, unfortunately, I'm sorry to say it this way, but I'll just put it in numbers.

In 15 years, Pluspetrol Corporation had 116 spills in the same lot. That is in 15 years. Pluspetrol is not a responsible company and we have denounced their practices. However, in five years, Frontera had 90 spills. That is almost the same amount as Pluspetrol in 15 years.

They are doing the same as their previous operator. They're leaving the country without taking any responsibility for what they have done in these communities. Therefore, I'm afraid I cannot say that this Canadian company has done any better than the other operators we have seen in this territory. That is why we believe in the importance of these kinds of spaces and trying to improve the mechanisms that indigenous organizations can access for their rights to be respected.

[Translation]

Mr. Alexis Brunelle-Duceppe: Thank you, Ms. Cépeda.

Do I have any time left, Mr. Chair?

[English]

The Chair: You have a minute and 10 seconds.

[Translation]

Mr. Alexis Brunelle-Duceppe: I'll be quick, then.

Mr. Neumann, when the ombudsperson appeared before the committee, she told us that she had sufficient resources but didn't provide details about her office's funding. In the recent budget, the government pledged to increase CORE's funding by \$16 million over five years, and \$3.3 million per year ongoing. You touched on this earlier, but I'd like you to provide some clarification.

Do you think the issue comes down to resources, funding or powers?

[English]

Mr. Ken Neumann: Thank you for that question.

I think, as I said in my testimony, it's not a matter of money; it's a matter of power.

You still have an ineffective office, and if you just give it more money and don't give it the power, nothing really changes. You hit the nail on the head that it's about the power. What I've never figured out is that in 2018 we were destined to go where we're asking to go today, and all of a sudden there has been a reversal of that.

The Chair: Thank you, Mr. Neumann.

[Translation]

Mr. Alexis Brunelle-Duceppe: Thank you.

[English]

The Chair: Now we're moving to the NDP for seven minutes.

Ms. McPherson.

Ms. Heather McPherson (Edmonton Strathcona, NDP): Thank you, Mr. Chair.

I'd like to thank the witnesses for joining us today. This is a very important conversation we're having, and I really do appreciate their insight.

I'm going to start with the United Steelworkers.

Mr. Olthuis and Mr. Neumann, you spoke about the good actors, those mining companies that are strong with regard to protecting human rights and strong with regard to protecting the environment.

What is the impact of those companies that aren't protecting human rights, that aren't taking care of the environment? What is the impact of the bad apples on the good companies when we don't have a system to hold them to account?

I'll pass that to either of you.

Mr. Ken Neumann: Doug, do you want to take that?

Mr. Doug Olthuis: Thank you for the question.

As we've heard tonight, there are many different allegations of Canadian companies not respecting human rights. If anybody spends an afternoon on the Internet googling Canadian mining companies, they'll find all kinds of allegations of harm, of environmental degradation. Do I know if all of those are credible? No. Does anybody on this committee know if they're all credible? No.

I think that's exactly the purpose of a credible ombudsperson, to be able to investigate specific complaints and to investigate them properly so that Canadian companies that are behaving well can get out from under the cloud of these lingering allegations.

The situation we have now is that the allegations linger and linger and they're never really addressed because there is no credible CORE to investigate.

To answer Ms. McPherson's question, I think the impact is that all Canadian companies are dragged down. Investors are starting to look at the ESG factors more and more carefully, and we don't want the good Canadian companies to be tinged with the negativity—and there is a lot of negativity out there.

The whole point is to try to separate the real from the complaints, because many people have complaints, but not all of them are on human rights violations, by any stretch of the imagination. As we speak, we just don't know, so that's the reason we need a really empowered CORE. I think it will be good for all of us. It will be good for the financial industry, which will be able to make reasoned judgments on which companies are really respecting human rights. It will be good for companies that want to raise money. It will be good for workers, and it will be good for communities.

• (1910)

Ms. Heather McPherson: That's perfect. I have travelled around the world. I've seen the impacts of those bad actors in a number of different countries, and I completely agree with your assessment, Mr. Olthuis.

Knowing that this is actually really good for good mining companies or good extractive companies, why do you think there are members or associations within the sector that are not supportive of a CORE who has the powers to compel testimony and witnesses?

I'll pass that to either of you.

Mr. Doug Olthuis: I think you'll have the opportunity to ask representatives from MAC and PDAC later on tonight. I can only speculate and suspect—I mean, they're speaking up for their members, as we would speak up for our members—that at the end of the day, they don't want more oversight, to be frank about it. They would prefer a voluntary approach to all of these human rights issues.

We do want companies voluntarily to take their human rights obligations seriously. Many of them do, as you said, but some don't. We can't rely on a voluntary schema to address the companies that don't. Let me just give you one example, without naming any names.

There's a Canadian mining company in Mexico where last year workers voted to join a truly democratic independent union, Los Mineros. What's remarkable is that the Canadian company, a silver mining company, refused to recognize the results of that election. That's despite the fact that the Mexican regulatory authority gave representation rights to Los Mineros and despite the fact that the President of Mexico insisted publicly that the company comply with the law. The operations of that mine are suspended right now. The company is losing money each day.

The question in the context of the CORE is what does that matter. Well, when I look at that, I see a Canadian company that's willing to stare down the President of Mexico. I can't imagine a company like that being willing to voluntarily co-operate with the CORE. This is a mining company that plays hardball. A CORE that is in that kind of situation needs to be armed. It needs to be ready to be able to engage with that company from a position of strength. That's not the CORE we have right now.

Ms. Heather McPherson: I completely agree.

I'm running out of time here, but I have one question for you, Ms. C peda. Knowing what's happening in Peru, knowing what's happening with Frontera and how they've stopped their obligations and have not provided an abandonment plan, have you submitted a complaint to the CORE?

• (1915)

Ms. Aymara Le n C peda: No, we haven't. We considered that option, but given what we were informed of and what we saw in terms of the lack of power the ombudsperson has right now, we didn't believe that putting the indigenous organizations through that effort without knowing the result would be the most useful way to approach the situation.

Ms. Heather McPherson: Basically, just to clarify—

The Chair: Thank you.

I'm just looking at the time. We have about three and a half to four minutes maximum for each questioner in our second round.

We will commence with MP Iqra Khalid from the Liberals.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Thanks, Chair.

I'll continue down the same line of questioning that Ms. McPherson had on what your experience has been. I know that the CORE is relatively new. You indicated that you didn't want to put the communities through that experience, not knowing the outcome. I'm wondering if you have had any experience with a national contact point or the corporate social responsibility counsellor.

I'm really looking for what kind of challenges an organization like yours would face going through that process.

Ms. Aymara León Cépeda: We have not contacted the national contact point for this case. We are doing that for the case with the previous operator, which is a Dutch company. The complaint that the indigenous federations addressed has just been accepted by the Dutch national contact point. We are trying to see what comes out of this effort and experience with our complaint to Pluspetrol to evaluate whether we should do the same in the case of Frontera Energy, because the two cases have really similar situations.

Ms. Iqra Khalid: Thank you very much for that, Ms. Cépeda.

Just very quickly—I have such little time left—you mentioned, Mr. Neumann, that the Steelworkers Humanity Fund published a report in January 2021. The report noted that Canadian companies are not always aware of where garments specifically come from and any human rights violations that may occur, because they're not directly involved with the procurement or the manufacturing of those garments.

I wonder if you can maybe shed some light on some tools that the CORE could use in dealing with supply chains specifically with regard to the garment or any other industry that may be impacted.

Mr. Ken Neumann: Thank you very much for that question.

Bangladesh is very close and dear. Doug Olthuis, who is with us here tonight, is the executive director of our humanity fund that was involved in the investigation. I personally travelled to Bangladesh. I was there for the one-year anniversary of the Rana Plaza collapse, and I always tell people when I come back that if the suppliers that purchase procurement from Bangladesh had seen what I've seen, I just don't know how they'd be able to go to bed with a clear conscience. That's why the CORE process is so unique, which is one of the things that we found through this investigation.

I've had the opportunity to meet with families. I've had the opportunity to meet with many of the people who have lost an arm, lost a leg or lost a family member. It is one of the things that I'll take with me for the rest of my life, to witness what I've witnessed.

I can't stress more forcefully the need that these places have. We have a lot of Canadian companies that are over there. We're trying to leverage them. We're trying to work with them to make sure that during this COVID period, they sign on to a fund that helps these people get paid.

If you have a minute left, Doug should probably jump in because he's the one that shepherded that very important study that we did.

Doug.

Mr. Doug Olthuis: There are two answers to your question.

Specifically in the case of the garment sector, the CORE needs strong powers to compel documents and witnesses to untangle a supply chain like that.

The other thing, though, that the Government of Canada could do, which we'd encourage you to look at, is legislation on mandatory human rights due diligence, which would require Canadian companies to undertake a due diligence process looking at their entire supply chain. That's separate from the CORE, but that would be a really important thing to do.

Ms. Iqra Khalid: Thank you.

Thanks very much to all the witnesses.

The Chair: Thank you. That's right on time.

Now we're moving over to the Conservatives and MP Scott Reid for about three and a half to four minutes.

• (1920)

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): Thank you, Mr. Chair.

Maybe I could go back to you, Mr. Olthuis, for a second, to follow up on your most recent comments. You talk about the use of the powers of compelling witnesses to testify and compelling the production of documents for the purpose of untangling supply chains. I have to admit, I don't see how you could do that if the problem is a supply chain that is entirely located in another country. Presumably, the whole problem is that the Canadian company has not done due diligence, and therefore, its supply of compellable testimony is going to be pretty limited.

Am I wrong on that?

Mr. Doug Olthuis: I can't say, Mr. Reid, that you're ever wrong on anything.

It's true that some Canadian companies haven't paid attention to their supply chain, but it's also true that the global supply chain is such that power rests at the top, which is the companies that purchase. Those companies actually have a lot of power throughout the supply chain. They sometimes try to hide behind suppliers and say that suppliers did it, but they're controlling the purse strings.

If the CORE had the ability to compel documents from a Canadian company, that Canadian company would very likely have the ability to get those documents on a voluntary basis from their suppliers, because those suppliers really want to keep the Canadian companies happy.

Mr. Scott Reid: I'm going to suggest, since I have so little time here, that the CORE, it sounds to me, is not the right way of doing this. You suggested another alternative, a piece of legislation that would effectively require you to do due diligence on a proactive basis. Could you talk for a second about that? That does sound like a more promising avenue to go down, from my humble and only partly informed perspective.

Mr. Doug Olthuis: You're correct. The CORE will work together with mandatory human rights due diligence legislation. The CORE is typically backward looking for complaints and you're right that we want to avoid issues arising in the first place. If companies were required to do a due diligence process and make sure that the impacts of their business operations don't have negative consequences, then ultimately, the CORE, even an empowered CORE, would have no business because there would be no complaints.

Forward-looking legislation that would address the problems before they start would be a very good complement to the CORE. It doesn't replace it, but it would be a good complement.

Mr. Scott Reid: Do I have any time left, Mr. Chair, to continue with this?

The Chair: You have one minute.

Mr. Scott Reid: In that case I'll stick with Mr. Olthuis.

It sounded like there is some existing legislation somewhere that fits the model you were describing. I wonder if you could fill us in on models you think are useful.

Mr. Doug Olthuis: As you may know—I think this committee has looked at some issues—many jurisdictions in Europe are looking at grappling with that question right now, following the United Nations guiding principles on business and human rights. Governments have to take those obligations seriously. We certainly have ideas about how to do that. In the five seconds we have, I don't think we can do that justice, other than to say that yes, Canada is not yet a leader in that area, but it could well be. There are examples from Europe that we should build on, but Canada should do even better.

The Chair: Thank you. That's it for your time.

Now we're moving to the Bloc for three and a half to four minutes, with Monsieur Alexis Brunelle-Duceppe.

[Translation]

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

I want to reassure the witnesses that Mr. Reid isn't always right, but that's another story.

Mr. Neumann, you touched on this earlier, but I want to follow up on when the government announced that it was creating the role of the ombudsperson. What were your expectations back then? In particular, what did the government promise?

[English]

Mr. Ken Neumann: As I said in my testimony, I was in Ottawa on January 18, 2018. There was a group of us assembled for a celebration because the minister was making an announcement with respect to the ombudsperson which basically was going to enhance in the legislation the powers that we're talking about today. The powers that we have been testifying about would be put in. That's why we happened to be there. We knew this and were invited to partake in it, only to find out sometime later that they didn't follow through on the decision. As I said in my testimony, had I known then what I know now, I wouldn't have attended the so-called photo op, as I refer to it.

• (1925)

[Translation]

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

It's important for the committee, but especially for Canadians and Quebeckers, to hear what's happening on the ground. I think you are in the best position to explain it to us, Ms. Cépeda, so I'm going to give you the floor. If there is anything you want to say to the Canadian government, now is the time.

[English]

Ms. Aymara León Cépeda: We believe that justice is not built only on political limits within governments. We believe that justice is built on the contribution of different actors. That is why indigenous organizations are seeking more and more allies in different latitudes of the world so they are able to get the reparation they need.

That is why we insist on having stronger entities, such as the CORE. We also insist that we take it a step further and involve the Canadian government in the reparation of damage that has already been done in this territory. The Canadian government should talk directly with the indigenous organizations, and the workers' organizations in other cases, that have been affected by these companies that are not meeting the standards they would work under if they were in Canada.

[Translation]

Mr. Alexis Brunelle-Duceppe: Thank you.

Do I have any time left, Mr. Chair?

[English]

The Chair: You have about 45 seconds.

[Translation]

Mr. Alexis Brunelle-Duceppe: Very good.

Some Canadian companies operating abroad are said not to be respecting Canada's human rights obligations. Could one of you tell me which obligations, specifically, are meant?

Mr. Neumann, can you shed some light on that for me?

[English]

The Chair: You have about 20 seconds.

Mr. Ken Neumann: Doug would probably be more on top of that.

Doug.

Mr. Doug Olthuis: I think I would refer you again to the UN guiding principles on business and human rights, which essentially say that companies have a responsibility to respect and that states also have responsibilities.

The Chair: Thank you.

[Translation]

Mr. Alexis Brunelle-Duceppe: Thank you.

[English]

The Chair: Now we'll transition over to the NDP.

We're going to have Ms. McPherson for about three and a half to four minutes.

Ms. McPherson.

Ms. Heather McPherson: Thank you, Mr. Chair.

Again, thank you to our witnesses this afternoon, or this evening, depending on where you are. I want to continue with the line of questioning I hadn't finished with Ms. Cépeda.

In terms of your putting a proposal or recommending to the impacted communities in Peru that they put forward a proposal, you mentioned that you have not done that and that you wouldn't recommend that. Is there anything else you would like to add to that? I now we cut you off, unfortunately.

Ms. Aymara León Cépeda: Yes. I was saying that we had looked into the old option of bringing this complaint to the CORE, but we have received information from other cases and also have our own information about how this mechanism is working. It wouldn't provide sufficient investigation for us to feel confident in the use of the CORE to present the report on what is happening in the indigenous communities. We do believe that if the CORE had stronger competencies, we would highly consider this option, but we are looking into having more strategies or avenues whereby we can help the indigenous communities and organizations to have the truth and the justice that they are seeking.

Ms. Heather McPherson: Basically then we have exactly the kind of situation for which the CORE was created and put into place. We have a Canadian company with 90 spills affecting 25 indigenous communities that has not provided an abandonment plan and has not followed through on its obligations to these communities. This is the exact situation, and yet the communities do not want to apply to the CORE because they do not have sufficient powers to compel. Is that correct?

• (1930)

Ms. Aymara León Cépeda: That is correct and I could not have said it any better.

Ms. Heather McPherson: Just to hammer it home, if the CORE did have the powers to compel testimony and witnesses, would the indigenous communities that are affected by our Canadian oil company put forward a complaint to the CORE?

Ms. Aymara León Cépeda: One hundred per cent they would, because we believe that what has happened in their territories has to be known by the Canadian government and something must be done about that.

Ms. Heather McPherson: Thank you. That's very clear and important testimony to hear.

This committee has not had the opportunity to hear enough from impacted communities. We have heard an awful lot from sector representatives. We've heard a lot from other groups, but we haven't

had the opportunity to hear as much as I'd like from impacted communities, so thank you very much.

I just have a few seconds left but I wanted very quickly, with this last kick at the can, to underline some testimony we've already received.

Mr. Neumann, you talked about how excited you were about the possibility of the change that the CORE would bring forward and how disappointed you have been since. Do you even think that the CORE provided any change from what we had under the Stephen Harper administration?

Mr. Ken Neumann: No, they changed the name and they said that they would put together a bit more money. As I said in my testimony, if you have an ineffective office, just adding more money still makes it an ineffective office, and that's exactly what's happened.

Our union has been working on this file. There are some members who I see here. We've been working on this file for quite some time. Yes, the labour movement in particular, our member was there with Hassan Yussuff and some other affiliates that were invited by the minister at the time.

It was a celebration. That's why we all gathered and we were assured those changes were coming forth at some point. I guess the question that we never had answered is what was the change of heart. Why was there change?

The Chair: Thank you, Mr. Neumann.

That's our time for the first panel.

Witnesses, we want to thank you for your time. We appreciate that you have joined us here and answered the questions.

Just to let everybody know, Mr. Clemente Bautista will be joining us on the second panel. He was supposed to join us on the first panel, but unfortunately, due to technical issues, we were not able to do that, so he will be here on our second panel.

We are going to suspend now, colleagues, for about five minutes as we bring in our next panel.

• (1930)

(Pause)

• (1935)

The Chair: Welcome everybody. We're continuing to meet to hear from witnesses in view of our study on the role of the Canadian ombudsperson for responsible enterprise.

For the benefit of our witnesses, I encourage all participants to mute their microphones when they are not speaking and address all comments through the chair.

When you have about 30 seconds left in your questioning time, I'll signal you with a paper. Also, for the benefit of our witnesses, there is a globe icon at the bottom of your screen if you require interpretation in English or French.

Let me introduce the witnesses.

Joining us from the Philippines, we have Mr. Clemente Bautista, who is the international network coordinator at Kalikasan People's Network for the Environment.

We have Mark Agnew, vice-president of the Canadian Chamber of Commerce.

We have Lisa McDonald, executive director, and Jeff Killeen, director, from Prospectors and Developers Association of Canada.

We have Margareta Dovgal on behalf of the Task Force For Real Jobs, Real Recovery.

On behalf of the Mining Association of Canada, we have president and CEO Pierre Gratton and senior vice-president Ben Chalmers.

I am going to ask our witnesses to make their opening remarks for no more than five minutes. I will hold you to that just because we don't have a whole lot of time and we have quite a few witnesses.

We'll begin with Mr. Bautista.

Mr. Clemente Bautista (International Network Coordinator, Kalikasan People's Network for the Environment): Good evening. It's my honour to testify before you.

I am Clemente Bautista. I am the international network coordinator for the Kalikasan People's Network for the Environment.

Kalikasan is a leading network in the Philippines working on ecological protection, conservation of resources and defending the rights of people and communities. We have previously received funding from the Canadian government through its Canada fund for local initiatives.

I have been involved in advocacy regarding environmental degradation, human rights violations and environmental justice related to the operation of foreign mining corporations, such as Canadian-owned OceanaGold, TVI Pacific, Placer Dome and B2Gold.

In 2004, indigenous Subanon leaders testified before this committee about the harm they were enduring from TVI Pacific. In its 2005 report, this committee recommended that Canada should develop laws to hold Canadian companies to account for the harm they do overseas.

According to the international organization Global Witness, the Philippines was the most dangerous place for environmental defenders in 2018.

In Kalikasan's 2019 submission to the UN Office of the High Commissioner on Human Rights, OHCHR, we reported that from 2001 to 2018, at least 225 environmental defenders were killed. The majority of the victims came from rural sectors; 36% were indigenous peoples and 58% were involved in campaigns against large-scale mining projects.

There are other forms of human rights violations, such as red-tagging, which is the practice of state forces classifying individuals as members of rebel groups, such as the New People's Army, NPA, and the Communist Party of the Philippines, CPP, leading to trumped-up charges, warrantless arrests, illegal detention and extrajudicial killings.

Kalikasan and its staff have been red-tagged as a front for the NPA and CPP. During meetings at the Canadian embassy in Manila, we and our partner organizations who are opposing OceanaGold and whose lives were in danger were asked if our local organizations are a front for the rebel groups.

In 2019, police officials threatened to raid our office alleging we were recruiting rebels, because we sheltered indigenous people displaced by mining projects and the militarization in their communities.

How dangerous is this?

In April 2018, human rights and environmental defender Benjamin Ramos was accused of being a CPP member. Months later he was assassinated.

- (1940)

News articles, UN Human Rights Council reports, statements of UN officials and findings by the Philippines Human Rights Commission validate my testimony.

On the human rights and environmental violations of OceanaGold Corporation in the Philippines, our field investigations showed worsening degradation in the mining-affected area, such as water pollution, forest denudation, along with social impacts such as community displacement, land grabbing, militarization and increasing community disputes.

In December 2009, the Philippines Human Rights Commission reported that OceanaGold committed human rights violations in Nueva Vizcaya, particularly the displacement of indigenous peoples.

In February 2017, the Philippines Department of Environment and Natural Resources ordered the suspension of OceanaGold for serious environmental violations.

In December 2018, we submitted to the UN a complaint against OceanaGold. Our concerns were formally relayed by seven UN special rapporteurs to the Philippine government and the company.

Since July 2019, OceanaGold has not had a permit to operate. There has been an ongoing people's barricade since then to oppose the mine reopening. The people are supported by different sectors.

In December 2020, in a letter to President Rodrigo Duterte, Nueva Vizcaya Governor Carlos Padilla, along with the other religious groups, reiterated their opposition to the reopening of the mine.

The call to stop the operation of OceanaGold rings clear and loudly in the Philippines.

On the ombudsperson, it is my understanding that civil society in Canada agrees that the ombudsperson should have investigatory powers to get to the bottom of the facts by being able to compel the company to provide critical documents and testimony.

I hope that this will be immediately realized.

Maraming Salamat po.

The Chair: Thank you. You're right on time, Mr. Bautista.

We'll now move to Mr. Agnew for five minutes.

Mr. Mark Agnew (Vice-President, Policy and International, Canadian Chamber of Commerce): Mr. Chair, thank you for the opportunity to appear at this committee.

My name is Mark Agnew. I'm the vice-president of policy and international at the Canadian Chamber of Commerce.

As many of you will know from the local chambers in your communities, our organization represents companies in all sectors, small, medium and large.

Although not bringing the expertise that my colleagues from the mining sector have, the Canadian chamber has been engaged since the creation of the CORE was announced in early 2018. Our members have sought to work as constructively and collaboratively as possible with the CORE, as well as its predecessor organization, the CSR counsellor's office, on matters related to RBC, responsible business conduct, policy.

As you'll hear in more detail from my colleagues, the Canadian business community supports and values protecting human rights abroad. We also see an opportunity to make RBC measures a brand differentiator for Canada. Investors are also demanding accountability, and we are seeing that under the proliferation of ESG and CSR frameworks more generally.

The chamber and our members have been engaged in the development of the office, as I mentioned a moment ago, and we support the September 2019 order in council for a few different reasons, which I'll mention here briefly.

First, even after two years of start-up, the CORE is still very much in its infancy, in terms of building the structures, the processes and getting staffed up with folks settled in their new roles. Granting quasi-judicial powers to compel witnesses and evidence would represent, in our view, a quantum leap that would in effect require a completely new organization.

Second, we cannot underestimate the extraterritoriality issues at play here. To ensure that investigations could happen fairly, there would need to be full access to the local communities, foreign governments and contractors abroad, which in some jurisdictions particularly would be a very difficult proposition.

Third, the office already has sticks at its disposal. Canadian businesses greatly value the work of Global Affairs Canada and the trade commissioner service. Certainly losing that support due to a CORE recommendation to the minister would cause problems for the companies that rely on those services to support their market activities. This should not be underestimated in terms of the value that it provides to companies.

As a footnote, I was reminded, in speaking to my colleague before, that it was actually the Mining Association that advocated for these punitive measures as part of the 2014 CSR strategy.

Finally, the chamber believes that expanding the office to compel witnesses would actually neuter its ability to collaborate with industry vis-à-vis the mediation services or providing informal advice, as mentioned in the current OIC.

I would like to bridge over for a moment to the process to develop a responsible business conduct strategy that's been going on with Global Affairs Canada. Given the friction that we've admittedly seen over the last three years in relation to the CORE, I think the strategy has a chance to help clear the air and set down some markers that will allow us to look forward, instead of relitigating the same issues ad nauseam that we've seen since 2018.

One element should be to put some markers around the various RBC frameworks, and I would add ESG and CSR frameworks, in existence, and package them together in a more coherent way for companies from a Government of Canada perspective. There are many moving parts to this, whether it's the CORE, industry-developed standards, or changes that were brought into effect under the CUSMA around the implication of goods made with forced labour. It can be difficult for companies to navigate this, particularly small and medium-sized enterprises.

The chamber also recognizes the government's intent to eventually apply the CORE to all sectors. However, not all sectors have been in the room, nor are they necessarily aware of the plethora of frameworks that are out there. We encourage the government to use the RBC strategy as a chance to consult and engage with sectors that are not currently under the CORE to understand what obligations would be applied to them in the future.

Last, I would like to underscore the importance of ongoing industry and government collaboration, given the relationship that industry impacts abroad have on the Government of Canada's foreign policy, and vice versa, the foreign policy's impact on the ability for Canadian companies to operate abroad. From our perspective, it's critical that the RBC strategy has a collaboration and support pillar to ensure that there is a strong Canadian brand overseas.

Thank you very much for your time. I look forward to your questions.

- (1945)

The Chair: Thank you, Mr. Agnew.

We'll now move to Ms. McDonald and Mr. Killeen.

Ms. Lisa McDonald (Executive Director, Prospectors and Developers Association of Canada): Thank you, Mr. Chair and committee members, for the opportunity to speak today.

My colleague, Jeff Killeen, is with me. He is the director of policy and programs at PDAC.

With over 7,200 members around the world, PDAC is the leading voice of the mineral exploration and development community and our work centres on supporting a creative, responsible mineral industry.

PDAC and the mineral industry have been a continuous constructive partner in the development of the CORE since the initiative was first announced in 2018. Through numerous submissions and engagements, PDAC has remained confident that the CORE can play a vital role in promoting safe and responsible business practices and provide a transparent process for Canadian companies that operate abroad.

Exploration is the vital first stage of the mineral industry ecosystem where prospectors and small exploration companies predominate in the search for economically viable deposits that have the potential to become a producing mine.

Companies involved in mineral exploration, both domestically and abroad, understand they are guests in the communities in which they operate and business must be conducted in a responsible, respectful manner.

Canada's excellence in mineral exploration extends beyond scientific and financial expertise and includes global leadership in responsible, social, and safety practices. In 2009 PDAC developed e3 plus, a framework for responsible exploration, as a resource to help exploration companies improve their social, environmental and health and safety performance, which was the first comprehensive guidance on responsible exploration ever produced.

Together with the Mining Association of Canada's towards sustainable mining initiative, our industry has made tremendous strides in the area of responsible business conduct over the last decade.

Successful development of a prospective mineral project relies explicitly on obtaining a social licence to operate. In this context, Canadian mineral exploration and mining companies continue to evolve best practices with respect to engagement and disclosure in step with rapid growth in public demand for responsible investment funds. This evolution is necessary for Canadian companies to remain competitive as ESG, environmental, social and governance, performance becomes increasingly important to investors.

The COVID-19 pandemic has reminded us of the resilience of the mineral industry as many companies quickly adapted to find ways to continue operating safely. Direct industry support, such as personal protective equipment donations, monetary contributions and other goods and services, exceeded \$150 million through the first six months of 2020.

The mineral industry will continue to play a substantial international role as the world heals from the effects of COVID-19. Roughly half of all Canadian exploration and mining companies operated abroad in 2019 with foreign assets in over 96 countries valued at over \$178 billion. This represents more than two-thirds of the total value of Canadian mining assets. Moreover, Canadian-headquartered companies account for a material portion of exploration activity in almost every country and collectively represent approximately 30% of global exploration spending.

PDAC is very appreciative of the level of engagement and consultation provided by the CORE in working to define such things as the operating procedures and related frameworks. Given the fulsome engagement process conducted to date, and in light of the \$16 million in funding announced in yesterday's budget to support implementation of the CORE's mandate, PDAC recommends that the CORE should move forward with the currently defined collaborative approach before considering any expansion of its mandate. It is only through this practice that the CORE can assess its efficacy.

Respecting human rights must be a top priority for all Canadian companies operating abroad, whether based in the resource extraction sector or otherwise.

We look forward to ongoing collaboration with the CORE to ensure that Canada's mining and exploration sector can continue to be a global leader in sustainable and responsible practices.

Thank you again for your time and for considering my comments. We welcome any questions.

• (1950)

The Chair: Thank you, Ms. McDonald.

Now we'll hear from Ms. Dovgal.

Ms. Margareta Dovgal (Task Force For Real Jobs, Real Recovery): Hello. Thank you for having me here today.

My name is Margareta Dovgal. I'm the director of research at Resource Works, which is a B.C.-based non-profit advocating for responsible natural resource development. My background is in energy, climate and innovation policy. I work to communicate the facts about Canadian resource industries to decision-makers and the public.

Last year Resource Works convened a national coalition, the Task Force for Real Jobs, Real Recovery, which brought together 38 organizations spanning the country, including all resource sectors, labour and many indigenous organizations. We set out to determine how we can leverage Canada's natural resource industries for economic recovery from COVID-19 and how we can maintain and create jobs for Canadians.

We found that the right deployment of natural resource industries can help supercharge our economy. Unsurprisingly, Canada's role in the global mining supply chain, including in mining exploration and supplying to projects around the world, is an integral part of our recovery opportunity. We released our recommendations aimed at the federal government in August 2020 as a report, "Securing Canada's Economic Future", which can be found on our website at realrecovery.ca.

Several themes relevant to your work here emerged through this research. For context, I was the report's editor and lead author.

First, we found that Canada's natural resource industries lead the world on sustainability and corporate social responsibility, CSR. They are optimally positioned to meet the evolving demands of global investors. With respect to this subcommittee's study into the CORE, it's important to note that our resource industries have actually developed standards and practices that have been adopted internationally. This is true of forest management, chemistry, oil and gas and, of course, mining, with Canadian companies leading the global implementation of TSM, towards sustainable mining.

Moreover, our government's work, such as on the CSR checklist for Canadian mining companies operating abroad, is regarded very favourably by host governments in Asia and in Central and South America. As Canada's mining sector has long said, the pathway to better social and environmental performance is through collaboration and co-operation with international partners, not extraterritorial measures or an overly prescriptive approach that reduces host states' autonomy. Our own domestic regulatory experience has actually shown that reducing adversarial processes leads to better outcomes.

We've also found that resource companies are often subject to much-heightened scrutiny. The fact is that modern life is resource intensive. We must carefully balance producing what we need, at the scale we need, with protecting the environment, both locally

and globally. There is an opportunity before us now to meet rapidly increasing demand for metals and minerals as the world electrifies, while mitigating environmental impacts. This requires an honest recognition of what it takes to live in an industrialized society with a high quality of life enjoyed by all.

It occurs to me that we've seen something similar play out on climate activism. Canada is a jurisdiction where the screws of public opinion can get tightened easily. This has played out in national debates about energy export infrastructure, which occasionally failed to acknowledge that Canada is one of the world's most ethical and sustainable major producers of energy, which the world continues to desperately need. The vibrant debate we have about resource development in this country is not a reflection of inferior performance; it actually results in the most innovative and responsible practices, which our companies take abroad.

Canada is a solutions provider for better international performance in resource development. I would credit the fact that this conversation here is occurring at all to an inclusive democratic stage for debate, in contrast to many of our multinational mining competitors. Take artisanal cobalt mining in Congo, where Chinese multinationals dominate the space and child labour and extremely dangerous labour practices are common under their purview. In contrast, high labour standards are a leading reason that Canadians are welcomed by host countries.

As global demand for critical minerals grows, Canadian companies have an opportunity to provide sustainably sourced materials for electric vehicles, batteries, wind turbines and solar panels. This direction is recognized in the recent Canada-U.S. joint action plan on critical minerals.

Finally, Canada's role as a major resource economy provides us with a foundation for resource prosperity. That's great for paying the bills, such as for national child care or the wage subsidy. Our resource industries also establish us as a global supplier of choice not only for resource products, but also for resource equipment, technology and services. Canadian innovation and expertise in emissions reduction, remediation and manufacturing is needed around the world. That is what we bring when our companies invest abroad.

Any measures that this committee recommends should take into account the impacts on Canadian mining investment abroad. Canada's reputation as a sustainable producer gives us a competitive advantage. These investment opportunities represent an essential opportunity for decarbonization through critical minerals, Canada's strategic and geopolitical partnerships and our own recovery from the COVID-19 pandemic.

Thank you.

• (1955)

The Chair: You're right on time. Thank you, Ms. Dovgal.

Now we're going to move to our final witness statement, which will be from the Mining Association of Canada. We have Mr. Gratton and Mr. Chalmers. Then we'll move to questions from members.

Members, we will only have the one round of questions because seven minutes for each of the parties will take up all of our time. If you are thinking about sharing any of your questions because the other members may not be able to get in, you may want to do that amongst yourselves.

Here we go.

Mr. Pierre Gratton (President and Chief Executive Officer, Mining Association of Canada): Thank you.

Canadian mining has a significant international presence, as Lisa just mentioned, with 650 companies in almost 100 countries. However, we are no longer the world's top mining country. Indeed, Australia's two biggest companies exceed the net asset value of the entire Canadian industry, while China's control of the production of many mineral commodities is well known.

However, Canada's role as a global leader in sustainable mining and responsible business practices continues to grow. Central to this work is a program that's been mentioned already, our towards sustainable mining initiative, a globally recognized tool for driving responsible behaviour in our sector. Other countries have taken note of our leadership, and this program is now in the process of being implemented in Finland, Norway, Spain, Botswana, Brazil, Argentina, the Philippines and Australia. We spoke to the Colombians just this morning, and they intend to do the same.

Turning now to the CORE, a central focus has been on the CORE's powers, specifically whether the power to compel evidence and testimony would make for a more effective office. We believe that such an approach, while seemingly strong, would more likely lead to undesirable outcomes for all parties. We have based this belief on the experience and advice of professionals who have worked

in this field, such as Meg Taylor, former World Bank compliance adviser/ombudsman, or the CAO.

In the first 10-year review report published by the CAO, Ms. Taylor found that every party wanted a quick judgment but would only accept the findings if the CAO said that they were right. When a judgment was made, such as in the case of the Marlin mine in Guatemala, the CAO was drawn into the conflict, losing its status as a neutral party. The end result was that the cycle of conflict continued. Ms. Taylor further found that her mechanism was much more effective if it focused on how to change the dynamics of the conflict rather than imposing judgment.

If one's interest is to reduce conflicts, we believe joint fact-finding and other collaborative approaches will be more effective. We have long supported the use of penalties, such as the withdrawal of trade commissioner support or access to government financial support, should companies not co-operate in these circumstances.

We believe an ombudsperson with the powers to compel would lead all parties to lawyer up and disputes to be more protracted and conflictual. There are also issues of extraterritoriality that have never been honestly aired or considered.

A few years ago, former minister Jim Carr asked Barbara McIsaac to advise on whether the office as currently constituted had the power to compel, and if not, what would be required to provide such powers.

During the last several weeks of this study, the legal advice provided by Ms. McIsaac has been raised several times and has been characterized as strongly supporting the granting of such powers, but this is simply not accurate.

Ms. McIsaac clearly states that whether the CORE should have these powers is a question of policy, while her mandate was to assess whether the powers could be granted and what implications that might have.

Ms. McIsaac also states that she was struck by the fact that there was a "consistent view"—between NGOs and industry—"that the most important consideration should be that, at the end of the day, the process...should result in real change on the ground.... They differed on how that would best be achieved."

Ms. McIsaac says that without a way to compel, the CORE's effectiveness may be compromised, but goes on to say, "On the other hand a process which includes powers to compel runs the risk of becoming overly confrontational and caught up in procedural wrangling and court challenges."

Finally, she observes that there is no way to overcome the extraterritorial limitations of these powers. They could not be used to compel evidence and testimony of local communities, independent suppliers and contractors or state actors. The recent recommendation by this committee to increase the powers of the CORE in the context of supply chains into China makes me wonder how the ombudsperson would obtain the evidence of Chinese nationals to determine the existence of forced labour in the manufacturing of garments and appliances by Canadian companies.

The office should be given a chance to demonstrate whether it can be effective. If further changes are to be considered, they should be done via a transparent process that allows all stakeholders to equally express their views, with equal opportunity to consider proposed government policy options, including legal opinions.

Finally, there has been much talk about the sectors the CORE applies to. Global Affairs Canada is establishing a new responsible business conduct strategy that recognizes the need to expand these kinds of mechanisms to all Canadian businesses operating abroad.

• (2000)

The subcommittee's report on the human rights situation of the Uighurs supports this because, of the three sectors under the CORE's mandate—mining, oil and gas, and garments—only Canadian garment companies have a presence in the region. However, other Canadian businesses from sectors outside the CORE are present, such as those that sell household appliances or those in the solar and renewable energy sectors.

Thank you. We look forward to your questions.

The Chair: Thank you, Mr. Gratton.

We will proceed to questions from the members. We are going to commence with the Liberals.

We have the honourable John McKay for seven minutes.

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you, Chair, and thank you to all the witnesses this evening.

Let's go to the core issue—pun intended—and the core issue is whether the ombudsperson will have the ability to compel witnesses and documents.

The position of MAC, PDAC and others seems to be that if those powers are not available, somehow or another the investigation will be improved, that the ombudsperson conducting any investigation will somehow or another have a more useful and a more able investigation without these powers. It seems to me that's a logical contradiction. It's also an experiential contradiction, because no court process is effective and no quasi court process is effective unless there lurks in the background the ability to compel documents and compel witnesses to co-operate. It's a little like posting a speed sign on Highway 401 and having no ability to enforce the speed limit.

I'll start with Mr. Gratton, because he and I have been at this for quite a while.

Why is it, therefore, that PDAC and MAC somehow or another believe that the CORE will be more effective in her investigations without these powers than with these powers?

• (2005)

Mr. Pierre Gratton: Well, John, I've also given you this answer before, but I can do it again. I also gave it in my testimony.

First of all, you describe a court process. We don't see this as a court process.

There are courts, and people have access to courts, and there are rules that courts follow that are more expensive and more protracted, but things like due process are guaranteed in the court process. This is not that. This is something else. This is, as we have understood it to be, a model for mediation, for joint fact-finding and for bringing the parties together to resolve disputes and conflicts. For very serious crimes, that's where the law comes in. This is something different.

That's why, in our minds, if you're trying to reduce conflicts in something that's of a non-criminal nature, you want to try to bring the parties together. You want to try, and you do that through an impartial process that the ombudsperson negotiates. As I said before in my testimony, we're relying on the experience of those who have done this before and who have found that when they went down the road you're proposing, the results weren't what they had hoped them to be. They actually found that they made the conflicts worse, and that the collaborative approach was better.

Hon. John McKay: Pierre, with the greatest respect, not all parties are equally willing. In fact, some parties will be quite reluctant to engage in any process, whether it's mediation, conciliation or anything resembling a meeting of minds. However, their willingness to engage might well be enhanced if in fact the CORE, the ombudsperson, had the ability—and that ability was lurking in the background—to say "we can compel both documents and testimony".

In fact, you have described a variety of situations where the evidence will be extraterritorial. I agree. It will be sometimes less than optimum. I agree. Why would we allow a process to develop that will be necessarily less than optimum in a situation that will always—always—be extraterritorial and be fraught with difficulties and conflicts?

Mr. Pierre Gratton: Unless I misunderstood you, I think you just supported my position.

Hon. John McKay: I don't think that's right. I think you must have misunderstood me.

Mr. Pierre Gratton: What you're saying is that, if it's extraterritorial, then it's fraught with these types of difficulties, and that's been our point. It's very hard to do a proper assessment using the powers of compelling testimony and witnesses.

Hon. John McKay: Why wouldn't you have the ability to compel testimony and witnesses in situations that are fraught with difficulties?

Mr. Pierre Gratton: Well, you just raised the extraterritorial issue. That's why I'm confused by what you're saying.

Hon. John McKay: I get that.

Mr. Pierre Gratton: If you're trying to uncover what happened in a particular part of the world that is not Canada—say it's the Philippines, say it's Peru or say it's Colombia—and you want to find out what happened and you need to compel the testimony of non-Canadians, I don't think you're going to be able to do that.

Hon. John McKay: Well, maybe you won't be able to, but simultaneously—

Mr. Pierre Gratton: Then you won't get the full story.

Hon. John McKay: —you will be able to compel the testimony of others.

Your position is that you would prefer not the full story over a more fulsome story.

• (2010)

Mr. Pierre Gratton: No, quite the contrary, I think if you take a more collaborative approach, you're more likely to get people to sit down and—

Hon. John McKay: That's an argument of faith and hope and, with greatest respect, in these kinds of situations, faith and hope don't go very far.

Mr. Pierre Gratton: I guess we just have to agree to disagree.

Hon. John McKay: It wouldn't be the first time, Pierre. It wouldn't be the first time.

Mr. Pierre Gratton: We are basing our position on the experience of others who have done this. Canada's not the first in the world to consider an ombudsman.

Hon. John McKay: The example that was raised was the success that Canada has had in the mining industry particularly in Canada, and there's a lot of truth to that. Environmental laws, human rights laws, etc.... We are an exemplary nation in that area, but why are we an exemplary nation in that area? It's the ability to compel testimony, to compel documents and to hold people to account.

The Chair: Thank you. That's the time.

We're moving to MP Scott Reid for the Conservatives for seven minutes.

Mr. Scott Reid: Correction, we're moving to Mr. Chiu, my colleague, for the first four minutes, and then I'll get the last three.

Mr. Kenny Chiu: Thank you, Mr. Chair.

My first question is for PDAC, Ms. McDonald.

In this committee, we just finished hearing testimony from, for example, Peru. There was a Canadian company that reneged on its responsibility and has created huge problems for the indigenous community. Would you say that the CORE is still efficient in cases like that? It's an oil extraction operation in Peru, and its behaviour has caused significant spillage in the area, significantly hurting the indigenous population there.

How could you think that the CORE is efficient and effective?

Ms. Lisa McDonald: I think at this juncture in time there have been no complaints that have been brought forward to the CORE.

At this point we are looking forward, and we are looking for this process to be under way, and we don't know that the CORE is effective or isn't effective at this point.

I think we all agree that we have all spent the last couple of years working toward getting us to this point in time, so it would be very difficult for me to make a comment on testimony that was given by a previous witness, not really understanding the context.

In general I think my comment would be, as we have stated and our other colleagues have stated as well, and Ms. Meyerhoffer herself stated in her testimony, that the office has now been set up and is now set to receive complaints, and we are looking forward to that process.

Mr. Kenny Chiu: Thank you.

Let's move on to another question.

Chinese state enterprises are one of Canada's primary mining sector competitors around the world and are increasingly displacing Canadian operations. We have seen this in recent years in Southeast Asia and Africa.

Could you highlight for the subcommittee some of the differences in approaches and impacts on host communities you have observed and noted when the Chinese flag is flying at a mine site instead of the Maple Leaf?

Ms. Lisa McDonald: Given that PDAC represents mostly the exploration sector and that my colleagues at MAC represent the operators, I would respectfully pass that question along to Pierre.

Mr. Kenny Chiu: Fair enough. I just have one minute.

Thank you.

Mr. Pierre Gratton: We certainly hear a lot of different stories about Chinese operations in Africa, for example. They bring in their own workers. They bring in their own workers in Ecuador. Sometimes these workers are prisoners. They bring their prisoners to work in the mines. Their practices in engaging with the state governments are not the same as ours either. Slowly but surely they are crowding us out. Their presence all over Southeast Asia is enormous. Our own ability to become a battery powerhouse is curtailed or limited, constrained by the fact that they have an increasing control over nickel because of their presence in Southeast Asia.

It's a very, very difficult market out there. It is true. They're state-owned enterprises. They aren't transparent. They have no requirements to disclose like publicly traded companies do. It's a very unlevel playing field.

• (2015)

Mr. Kenny Chiu: Thank you.

Over to you.

The Chair: Mr. Reid, are you taking it?

Mr. Scott Reid: Yes.

Actually, in pursuing the issue of Chinese state-owned enterprises, first of all, I should be clear on this question, Mr. Gratton. Is it the case that most of the Chinese companies in the mining sector are, in fact, state-owned enterprises as opposed to being private companies operating out of China?

Mr. Pierre Gratton: There is a very thin distinction between the two when it exists.

Mr. Scott Reid: Right. I think I know what you're getting at. Huawei is not a mining company, but it's a nominally private company that's largely owned by a trade union that is, itself—

Mr. Pierre Gratton: —an arm of the state.

Mr. Scott Reid: —an arm of the state. Similar sorts of situations would exist.

Mr. Pierre Gratton: Yes, that's right.

Mr. Scott Reid: My own experience in this regard is very limited.

I had the opportunity to go to Eritrea to visit a Canadian company, a Canadian mine site owned by a company called Nevsun in a place called Bisha. What became clear to me while I was there was that, whatever the sins of the Canadians may or may not have been in this situation, there was interest within the Eritrean government, from some participants in that government, in having Canada operating there because, in a sense, the Canadians are innocent. We just want to go in and make money. That's our entire agenda. We have certain rules that we have to operate under. If you want to float a new bond issue on a Canadian securities stock exchange, you have to meet with certain criteria regarding labour standards and environmental standards and so on. These are all audited. [*Inaudible—Editor*] you want to walk away with some money. That's all we want to do, whereas the Chinese state wants to do a good deal more. It wants to get involved in the running of your country.

This seems to me to be a competitive advantage. What we're trying to resolve here are issues where, in this particular case but also in many others, there's a supply chain of products or services that are provided to the Canadian company that may have involved human rights abuses. What do we do to make sure that we can deal with that so that Canadian companies can continue to operate without being overly encumbered by our regulations in order to compete with the Chinese in any country in the world?

Mr. Pierre Gratton: I don't know, Ben, if you want to speak to this one. I am somewhat familiar with the Nevsun case. They were not a member of ours, but it's a very well-known one.

The response, which Nevsun undertook once the issue became so high profile, was to do their due diligence. Today, companies would know early on they should do their due diligence, so practices—

The Chair: Thank you, Mr. Gratton.

We are going to move to the Bloc and Monsieur Alexis Brunelle-Duceppe for seven minutes.

[*Translation*]

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

Thank you to the witnesses. Your presentations were very informative. We have been working on this study for a while, and your perspective matters a lot; it will play an important role in the report we eventually submit.

The previous panel told us that Canada was not the leader it claimed to be when it came to assuming its responsibilities. Since

our study began, the committee has been hearing the same thing at every meeting. It's quite telling.

Today, you are telling us that continuing to be leaders is a priority for you, and yet, you do not think it is necessary to give the ombudsperson investigative powers. You say it's not feasible because the alleged crimes were committed outside the country. Some of you even drew comparisons with China.

That brings me to a question for you, Mr. Gratton.

Will you concede that companies belonging to your association are committing crimes in other countries?

I'm not sure whether you heard the same stories we did, but no one from the industry indicated that Canadian mining companies had committed crimes abroad. Is that an oversight?

Mr. Pierre Gratton: Our association represents 45 companies that operate in Canada. Not all of them are Canadian companies. I cannot say whether any of our Canadian members have committed crimes in other countries. Naturally, even in Canada, when a company is responsible for environmental violations, it has to repair the damage, clean up the environment and so on.

I know that there were issues in the past. When the—

• (2020)

Mr. Alexis Brunelle-Duceppe: I am talking about now. It has happened in the past, yes, but I am talking about the present.

I am asking you, but the question is for all the witnesses. We are here to have a frank discussion, after all.

Mr. Pierre Gratton: I can't say that every mining company behaves well. Some are better than others. That's true of every company in society. Some are better behaved than others.

Mr. Alexis Brunelle-Duceppe: I completely agree with you.

Earlier, you called yourself a leader, but you don't think the ombudsperson should be given greater powers.

What, then, does being a leader mean?

Mr. Pierre Gratton: No, what I was saying was that our association had developed a program that is now globally recognized. It's a program that we, in Canada, developed and that is now being adopted by other countries. It's recognized as the best in the world.

Mr. Alexis Brunelle-Duceppe: Can you give us examples of results that have been achieved under the program?

Mr. Pierre Gratton: The program has produced results here, in Canada.

Mr. Alexis Brunelle-Duceppe: I mean results in other countries.

Mr. Pierre Gratton: The program is brand new internationally, being implemented only recently.

Mr. Alexis Brunelle-Duceppe: You don't have any results yet. That answers my question.

Mr. Pierre Gratton: Outcomes will be published this year for Finland, the first country to adopt the program.

Mr. Alexis Brunelle-Duceppe: Okay, great. Thank you, Mr. Gratton.

Ms. Dovgal, you said that coming from a democratic country was an obstacle for Canadian mining companies. You said it put them at a disadvantage as compared with competitors from totalitarian countries.

Did I get that right? That is what you said, if I'm not mistaken.

[English]

Ms. Margareta Dovgal: Companies in countries like Canada are held to much higher standards for regulatory performance. That's correct. With that comes uncertainty, complexity, risk; that's a fact of.... The more conditions you impose on companies in any regulatory requirement—

[Translation]

Mr. Alexis Brunelle-Duceppe: That is why, then, you don't want us to impose even stricter standards. You think that penalizes Canadian mining companies and gives the advantage to companies from countries that flout human rights. If I understand correctly, that is what you are saying.

[English]

Ms. Margareta Dovgal: I would say it's more about a concern in creating a power to compel that may create legal uncertainty and risk. We need to be cautious. That's not to say that scrutiny must not be applied, but uncertainty is the single greatest controllable impediment to the investment that we need for Canadian economic recovery.

[Translation]

Mr. Alexis Brunelle-Duceppe: Do you mean to say that companies from totalitarian countries are better off because they are held to a lower standard?

Accordingly, we should not impose higher standards because doing so would penalize Canadian companies. That's what you are saying.

[English]

Ms. Margareta Dovgal: I don't think that's accurate. Generally speaking, yes, we have to compete on a global market with our products. We need to be cautious of the competitive advantages that we're gaining or losing when we impose conditions on our resource industries, but that doesn't mean our resource industries should not be held to standards. That's what CORE in its current iteration does.

[Translation]

Mr. Alexis Brunelle-Duceppe: I see. Thank you.

Mr. Bautista, we have you with us, so I'd like to hear what you have to say. Members of the industry are here, so what do you want to say to them?

[English]

Mr. Clemente Bautista: We are pro development. We are not against foreign investment. But if that foreign investment causes us more misery, poverty and environmental degradation, then we need to resist—we have no choice—the kind of destructive operations like those we are experiencing from Canadian mining companies here in the Philippines. We have no choice but to defend the rights of our people and secure a clean, livable and just future for our next generation.

We would like the Canadian government to have a stronger ombudsperson, as I suggested, with the power to compel information from erring mining corporations, particularly in the Philippines, where the report of the UN High Commissioner for Human Rights said there is a failure of local mechanisms. If you had the kinds of mechanisms where we could seek justice, where we could seek accountability, then it would be an open venue for us to correct the mistakes being made by such foreign corporations as OceanaGold and serve as an example for other mining companies.

• (2025)

The Chair: Thank you, Mr. Bautista.

[Translation]

Mr. Alexis Brunelle-Duceppe: Thank you to all the witnesses.

[English]

The Chair: Thank you, Monsieur Brunelle-Duceppe.

We are moving to our final questioner.

Go ahead, MP McPherson, for seven minutes.

Ms. Heather McPherson: Thank you, Mr. Chair.

I want to thank all the witnesses for being here today.

It has been a very interesting conversation today. I certainly don't agree with much of the testimony I've heard, and I have lots of questions. I want to start with Mr. Bautista, simply because he is representing an impacted community and I find that we are not hearing enough about the impacts of Canadian mining companies on impacted communities.

Mr. Bautista, one thing you spoke about is that when you ran into issues with a Canadian mining company, you went to the Canadian embassy. You tried to get their help but weren't able to get the support that you were hoping for.

Can you tell us a bit more about that? Maybe you could talk about the support you'd like to see from the Canadian government.

Mr. Clemente Bautista: We tried to seek redress or support from the Canadian embassy because in our experience, particularly in Nueva Vizcaya where OceanaGold is operating, some of our local organizations and members of these organizations are being red-tagged. We know there are policy guidelines called "Voices at Risk", so the embassy could at least investigate and give support, but we did not get that. Worse, we were asked for information, right to our faces, about whether we or our local partners are a front for private organizations.

We have had other experiences with the international community in the Philippines. When we are threatened, they visit our office to prove our legality and legitimacy. However, sadly, in our experience with the Canadian embassy here, we didn't get that.

Ms. Heather McPherson: What I'm hearing is there was an awful lot of scrutiny about whether or not you were representing a community and whatnot. We've heard from other witnesses today that scrutiny is the biggest impediment to the sector.

Can you talk about how you feel about that? Should the sector feel that scrutiny is in fact the biggest impediment to its success?

Mr. Clemente Bautista: I do not understand the concept of scrutiny, sorry.

Ms. Heather McPherson: It's about looking at their operations and examining what's happening on the ground.

Mr. Clemente Bautista: No, of course not. We think the mining laws in the Philippines very much favour the foreign investors. It's stated in our law that foreign investment is critical in our development, so they get a lot of privileges.

As for scrutiny, or looking at their operations, there's a lack of transparency, and we need it for us to assert what should be done correctly on the ground. This is not true on our side.

Ms. Heather McPherson: I would think that you do not think the companies should be the ones providing the scrutiny or oversight of their own operations.

Mr. Clemente Bautista: Yes, of course. We have a lot of experience in the Philippines asking for information, but we get nothing from them. Collaborative action with the companies is okay, but more importantly, there should be an independent investigative mechanism with a process that does not allow the companies or even the government to take advantage to promote their interests, particularly their mining operations. In the Philippines—

• (2030)

Ms. Heather McPherson: Thank you so much for that answer.

Mr. Gratton, we've spoken before, and I have questions for you. My biggest concern here is that I don't understand why, if companies are acting appropriately, like guests, as we heard, there would be opposition to having oversight. I'm going to ask you a few questions on this, if you don't mind.

I'm going to list some companies, and I'd like to know whether they are members of MAC. They are OceanaGold, Frontera Energy, B2Gold, Barrick Gold, Placer Dome and TVI Pacific.

Mr. Pierre Gratton: OceanaGold is not. Placer doesn't exist anymore, nor does, I think, TVI. Barrick is. They have a mine in Canada. B2Gold is. The others are not.

Ms. Heather McPherson: For the ones that are not members of your association, you have no ability to utilize standards that you have, because they're not your members. They're not actually interested in the standards that you have.

The ones that are your members have been named today during the testimony in this panel and the one prior, and they are named as not being good actors on the world stage. Therefore, I wonder what the impact of your members not being good actors on the world stage has for those member organizations of MAC that are good actors.

What's the impact on those good players, those good corporate citizens, when there are Canadian companies that are abusing hu-

man rights, abusing the environment and abusing indigenous communities? What's the impact on the good mining companies?

Mr. Pierre Gratton: Of course, we all want to raise the bar. That's what we're trying to do through TSM, to raise the bar for everyone, but we can only do what we can do.

Ms. Heather McPherson: However, it's not compulsory. It doesn't have to happen internationally and it doesn't apply to companies that aren't your members.

Mr. Pierre Gratton: As other jurisdictions adopt it, it starts to get taken up by more and more, and it starts to apply to more and more. We do what we can.

Ms. Heather McPherson: How long will it be for Mr. Bautista and his community? How long will it be until communities improve? How long are communities in Nicaragua and communities in Ecuador expected to wait for you to develop those programs?

Mr. Pierre Gratton: I am not suggesting in any way that TSM is a replacement for government oversight. I'm not suggesting that at all. We were describing what we have done as Canadians, which I think is laudable because even though there are more powerful mining jurisdictions in the world, no other jurisdiction, none of them....

Even the Australians have now adopted our program, even though they're a far bigger mining—

Ms. Heather McPherson: As an Albertan, I can say the Australians are not impressing me with their mining practices at the moment, thanks very much.

The Chair: Thank you. That will conclude our time.

On behalf of the committee, I thank our witnesses for appearing, for taking the time. We appreciate the answers you've given us to our questions. At this time, you are free to go. Thank you very much.

Members, next Tuesday will be our final CORE meeting. We'll get a preliminary draft and instructions then to the analysts, and there you have it.

Thank you very much for all you did tonight. I know we're a little past time at 8:33, but I thought it was a good meeting and we are going to adjourn now.

Thank you very much, everyone.

Mr. Kenny Chiu: Mr. Chair.

The Chair: I didn't see a hand up.

Mr. Chiu.

Mr. Kenny Chiu: I did have my virtual hand up.

The Chair: Yes. I just saw it now.

Mr. Kenny Chiu: I just have a comment regarding the agenda that was set for today. It was changed several times, and in the final version, we did not have Kalikasan being there. I just checked the notice of meeting.

We were planning our time allocations because of that. It's awfully difficult when you have so many witnesses coming in and only giving them so little time.

The Chair: Mr. Chiu, you're right.

We did try our best. We tried to get Kalikasan into the first panel. That was not possible due to technical difficulties, so we brought them into the second panel.

• (2035)

Mr. Kenny Chiu: Unfortunately, they were not listed in the final notice of meeting. I just want to bring it to your attention. Thanks.

The Chair: Okay. Thank you very much. It's noted.

The meeting is adjourned.

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