

## PRESENTATION TO THE SCFAID COMMITTEE

Ottawa, March 9, 2011

Good afternoon, honourable Members of Parliament:

I thank you on behalf of my people for this opportunity to speak to you today.

It has been suggested that in the context of a significant improvement in respect for human rights and democracy in my country, the conclusion of a Canada-Honduras Free Trade Agreement would be acceptable. The fact is that our daily reality shows that the situation regarding human, civil, political, economic, social and cultural rights continues to deteriorate in Honduras. Nonetheless, as far as we are concerned, this notion is only part of the debate. The other dimension is that commercial activities in themselves have an impact on respect and enjoyment of human rights, and states therefore have a responsibility to ensure that this impact will be positive and not negative, even if those activities are being carried out beyond their borders, as is the case with bilateral and multilateral trade agreements.

In pursuit of that responsibility, in this very chamber, in October 2010, debate was held on Bill C-300, a bill introduced by the Honourable Member of Parliament John McKay for the purpose of promoting greater social responsibility for corporations engaged in activities of mining, oil or gas in developing countries (*Corporate Accountability for the Activities of Mining, Oil or Gas Corporations in Developing Countries*). We believe that this debate about the nature of the operations of Canadian companies must continue within the framework of discussions about the FTA with Honduras, because the business sector in my country has predicted that the signature of this trade agreement will generate major investments in the mining sector. Thus, the debate is not just over whether or not a Canada-Honduras FTA should be signed, but it is also about what the nature of this FTA will be. Another equally important point is ensuring the right of my compatriots to information about the content and scope of this treaty, which is currently unknown to most of my countrymen due to the almost secret way that negotiations have been conducted.

Prior to the coup in Honduras, several mining corporations with Canadian capital had been involved in questionable situations, either through commission or omission, that constituted acts of corruption<sup>i</sup> as well as disrespect for and violations of international human rights standards. This situation motivated us to work together with the Canadian Catholic Organization for Development and Peace and Honduran civil society for the past eight years in carrying out an advocacy campaign aimed at changing the mining law in Honduras, because the current law protects the interests of transnational mining companies without requiring them to respect national and international human rights or environmental standards. Several of you Members of Parliament have supported us in this struggle.

Human rights organizations in Honduras, as well as the public prosecutor's office on environmental crimes, have noted various crimes involving water pollution, environmental damage<sup>ii</sup>, violation of the people's rights to a healthy environment, to health, physical integrity, and self-determination, all as a result of the actions of the mining companies.

All of these violations have remained unpunished, thanks to the complicity and silence of Honduran judicial and executive authorities,<sup>iii</sup> who are subordinate to the interests of those groups with political and economic power, both national and transnational.<sup>iv</sup>

Since the June 2009 coup d'état, mining entrepreneurs have held key positions on the Honduran Private Enterprise Council and in the National Association of Manufacturers (ANDI<sup>v</sup>) and, from that position of power, they have launched along with the rest of the business community an aggressive campaign to promote international recognition of the illegitimate regime<sup>vi</sup> and, therefore, legitimization of the killings, torture, illegal detentions and other human rights violations committed against the Honduran population.

This economic and political elite that supported the coup is the group that hopes to benefit from the trade agreement between Honduras and Canada.

We are grateful for the support that the Canadian government has shown towards our country, but we cannot understate how strongly we were struck by the strange coincidence that—at the same time it was announced that Canada would be part of the Truth Commission—the representative of the Canadian government simultaneously requested that the regime approve a mining code that would allow Canadian investments to the order of US\$700 million.<sup>vii</sup>

We recognize that we are a poor country, that is a victim of exploitation, the plundering of its natural resources and corruption, and that the foundations of our democratic process have been hit hard by the 2009 coup, perpetrated by groups who now claim to govern our country.

But we also recognize that today more than ever, our struggle for respect and protection of human rights must be at the forefront of work to build a new Honduras. We therefore urge the Canadian government to once again show its commitment to peace, justice and democracy, and we respectfully submit the following recommendations:

1. Postpone the signing of the trade agreement between Honduras and Canada, and make the signature of said treaty conditional to the presentation of clear and irrefutable evidence of a significant improvement in respect for and observance of human rights in Honduras.
2. Demand that Honduras institute a comprehensive and transparent process of dissemination, debate and consultation on the content, conditions and scope of the trade agreement, with all social sectors, especially those sectors that will be directly or potentially affected and involved, and not just with the business guild as is the case at present.
3. Guarantee policies of fair trade, equitable benefits, coherence with international policies on climate change, and respect for human rights are guiding principles of the trade agreement and that said principles are not limited to enrichment, profitability and economic growth.
4. Urge the regime currently governing Honduras to take concrete steps to investigate, prosecute and punish those responsible for human rights violations before, during and after the June 2009 coup, as well as to provide effective reparation measures for victims of human rights violations and their families.

5. On the subject of the exploitation of natural resources, particularly with respect to the production of hydroelectric power and exploitation of mineral resources in Honduras, adopt a policy that ensures that strict compliance with international human rights standards and effective processes of citizen consultation and participation for the affected populations, so that they can provide, if they so choose, their prior, free and informed consent.

6. Finally, to call for an end to the repression, persecution and acts of intimidation against the population in general, communities in resistance, and human rights defenders.

Thank you very much.

PEDRO LANDA,

HONDURAN CENTRE FOR THE PROMOTION OF COMMUNITY DEVELOPMENT

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<sup>i</sup> In press releases of April 19, 2010, six mining companies were accused of having defrauded the national treasury of an amount exceeding \$32 million, by invoking an article of the Mining Act declared unconstitutional. Of the six companies mentioned, four of them have investors or are subsidiaries of Canadian companies (Entremares of Honduras, Minerales de occidente, American Pacific and Cerros del sur), Cf: <http://www.elheraldo.hn/Ediciones/2010/04/20/Noticias/Millonaria-evasion-fiscal-de-companias-mineras>

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<sup>iii</sup> In this case, there is an obvious conflict of interest because the Attorney Mario Chinchilla simultaneously holds the position of advisor to the Minister of Natural Resources and also serves as defense counsel for the Entremares mining company, a subsidiary of the Canadian company Goldcorp. In the last 10 years, the influence of mining companies has been reflected by the placing of government officials faithful to their interests in key positions of the Honduran government.

<sup>iv</sup> In the case of allegations of pollution and environmental crimes against a Honduran subsidiary of the Canadian company GoldCorp, the bias of the judge who heard the case could be noted because, in spite of the fact that there is clear evidence of the committing of the crime, as well as previous complaints about pollution and imminent risk caused by the lack of responsible actions to eliminate said risks, the company took no action on the matter; nevertheless, the decision of the judge stated that although there was contamination, "the company could not anticipate and provide for this." <http://www.elheraldo.hn/Pa%C3%ADs/Ediciones/2010/10/07/Noticias/Valle-de-Siria-denuncia-indiferencia-estatal-y-parcialidad-de-jeza>

<sup>v</sup> On the current board of the National Association of Manufacturers of Honduras are Santos Gavino Carbajal (manager of the American Pacific mining company) and Miguel Villela (executive of the Minerales de Occidente company, owned by Aura Minerals), both with Canadian capital.

<sup>vi</sup> In October 2009, Congressman Marvin Ponce denounced that the president of the National Association of Manufacturers, Adolfo Facussé, had received more than two and a half million lempiras from the government that had staged the coup to finance his lobbying trips to Central America, the United States and Europe for recognition of the de facto government. Adolfo Facussé publicly admitted having received this money in statements published by the newspaper El Tiempo on October 7, 2009.

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vii On April 7, 2010, the country's current president, Mr. Porfirio Lobo Sosa, held a meeting with the Canadian ambassador and a group of mining companies in that country. As a result of that meeting, at least three things came to light: 1. The President and National Congress of Honduras are ready to approve a mining law to ensure legal certainty for investors above all else. 2. Canadian miners have said they will invest at least \$700 million and 3. Canada accepted a role on the Truth Commission.