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Chair

Mr. Scott Reid

Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development

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● (1310)

[*Translation*]

The Chair (Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC)): Welcome to the 83rd meeting of the Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development, on this Tuesday, May 21, 2013.

[*English*]

We are continuing our hearings into the human rights situation in Honduras. Todd Gordon, who is a professor at Wilfrid Laurier University, has graciously agreed to come here and serve as a witness.

Professor Gordon, as I'm sure you already know, you have about 10 minutes, more or less, to make your presentation. We'll adjust the questioning to allow however much time is left to be divided equitably.

I'm going to ask Mr. Marston, if I could, for a small favour. I have to leave early to make an S.O. 31, so I'll ask you to—

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): That's fine.

The Chair: All right.

Professor Gordon, please begin. Take as long as you need to get the facts across.

Thank you.

Mr. Todd Gordon (Professor, Wilfrid Laurier University, As an Individual): Do I need this on when I speak?

The Chair: You don't need it when you're talking. You'll probably find it confusing. If you don't speak French, you'll want that in your ear when someone asks you a question in French.

Thank you. Please begin.

Mr. Todd Gordon: Thank you to the committee for inviting me. My name is Todd Gordon and I am an assistant professor of contemporary studies at Laurier University in Brantford.

My background is in political science and political economy. My research is focused on Canada's political economic relations with the global south on the increasing penetration of Canadian multinational corporations into the south, the social and ecological impacts of Canadian foreign investment, the response of communities in the south to this investment, and how Canadian foreign policy toward the south is framed by this dynamic.

Most recently, my research has focused on Canadian relations with Latin America. Part of this research, though not exclusively, includes Honduras. Others have spoken forcefully to this committee about the immediate and ongoing human rights catastrophe in Honduras, part of a long historical trajectory of violent suppression of dissent in the impoverished central American country dominated, as it is, by a small economic elite.

In the contemporary setting this involves the targeting of and the assassination of political opposition, the repression on a terrifying scale in the Bajo Aguán region against peasants fighting land expropriation, including the murder of a peasant activist just this past May 17.

It also includes the sexual assaults, the threats, and the daily indignity suffered by political opponents to the post-coup regime. Those other witnesses have also spoken about the impunity with which perpetrators are acting, which suggests the policy of the state. Indeed, according to the human rights organizations on the ground in Honduras—such as the committee of the relatives of the detained who disappeared, as well as members of targeted groups—the main perpetrators of this violence include part of the Honduran state security apparatus.

What we've seen in fact is the reappearance of death squads as Honduras tumbles back to the dark days of the Central American dirty wars, when death squads comprised of military police and sometimes civilians scattered the country eliminating dissidents. Juan Carlos Bonilla, who has been implicated in the torture and disappearance of a number of people in the 1990s, was named head of the national police by the Lobo government.

President Lobo recently named Arturo Corrales adviser to the Micheletti dictatorship as minister of security, and Corrales subsequently named three retired military colonels to key security posts.

I want to bring this back to the question of the Canadian government and multinational corporations, and their implication in this. This repression, the appalling state of human rights in Honduras, is the context in which the Canadian government is building its ties to Honduras, and Canadian companies are advancing their economic interests. The consequences of this should give us serious pause.

During two brief visits to Honduras in the last few years, and during the visits of Honduran activists to Toronto, I've had the opportunity to meet and interview a number of Hondurans resisting Canadian multinational corporations, and to discuss the social and environmental impacts of Canadian foreign investment.

I have met a number of Hondurans, for example, who for more than a decade have been involved in the struggle against Goldcorp, as well as activists with the Siria Valley environmental defence committee who blamed Goldcorp for polluting the local water system and poisoning inhabitants of the valley. They point to deforestation, diversion of natural waterways, starving of poor small farmers of scarce water resources, and food security for the small farmers in the region.

Studies of the mine closure by engineering experts from Newcastle University have identified acid mine drainage and other shortcomings, which place at risk the local water system. Studies of the water used for human consumption in two of the valley communities found levels of arsenic, lead, and hexavalent chromium, well above World Health Organization acceptable levels.

Rights Action reported that the ministry of the environment's own study—which it sat on for four years—found that 46 of 62 people tested had dangerously high levels of heavy-metal poisoning in their blood that would have required immediate and sustained medical treatment back in 2007.

Clinical studies by Honduran doctor Juan Almendarez have, to quote him, “revealed serious skin and hair loss problems, respiratory track, nervous system and eye problems—all of which can be attributed to contamination by heavy metals that are dangerous to the health of the present and future generations.”

Opponents of the San Martin mine have, through the years, faced harassment and intimidation. In the summer of 2011, 17 people were charged with obstructing a forestry project on land for which mineral concessions were previously granted to Goldcorp. They say the logging is a possible initial step towards new mining activity. The charges were recently dropped as most were not even present at the site and the day related to the charges.

● (1315)

Conflict has also surrounded Aura Minerals' San Andres mine in Honduras. Hondurans with whom I've spoken express real concern about a new wave of Canadian mining in their country. Despite the positive report by a Gildan representative to this committee, human rights activists in the maquila sector paint a different picture. In Honduras, I spoke with an activist who described Gildan as one of the most exploitative companies in the maquila sector, whose practices worsened after the coup. They cite a number of problems and violations of their labour code. I know Karen Spring has spoken to the committee on this subject and she is much more knowledgeable than I am.

One of the largest Canadian projects that often doesn't get enough scrutiny in Honduras and is currently under development is owned by Life Vision, whose owner Randy Jorgenson is a close associate of President Porfirio Lobo's brother Ramon. The project, which will include a new $15 U.S. million cruise ship dock to bring tourists from around the world, is being built near the north coast city of Trujillo on land to which afro-indigenous descendant Garifuna communities claim title. The environmental permits for the first two projects were reportedly actually granted under the coup dictatorship in January 2010 before Lobo was inaugurated. People in the community spoke of not being consulted, of being ignored by the company and government. Those who have spoken out most, including people I've spoken with—and one of whom criticized the project on his community radio program in Trujillo—also spoke of receiving death threats and of being followed by company security.

The two patterns I've raised about Honduras here, the dire state of human rights in general and the track record of Canadian mining in other countries, create a very dangerous situation for Hondurans. The Canadian government's intervention since the coup, I would argue, has not helped. It's made things worse. From Peter Kent's placing some of the blame for the coup on Manuel Zelaya and criticizing his attempts to return from exile; to Canada's strong support for the recognition of the presidency of Porfirio Lobo, despite his election taking place in the context of a coup and dictatorship, violent repression, and a boycott by the anti-coup movement; to Canada's subsequent ongoing support for the Lobo government in spite of the continuous violence; or to Canada's contribution to the funding and training of Honduras' security forces including a proposed partnership with Colombia whose own security forces have an extremely problematic history of their own.

But that strong support for the Lobo government, starting at a time when the majority of governments in Latin America refuse to recognize it, laid the grounds for Canada's successful push for the free trade agreement and the new mining law. Fittingly President Lobo's slogan has been, “Honduras is open for business”. The free trade and the mining law are good examples of this, as is his charter city project—enclaves that will be run by independent boards obviously influenced heavily by foreign investors and largely independent of the national government and its various laws and organizations and regulations. These things are designed—to use the language of Foreign Affairs and International Trade—to lock in market access for Canadian companies, which I would argue, puts the rights of these companies above those of the people of Honduras and their environment.

Implicating them more, mining companies will now be paying taxes for the aforementioned Honduran security sector. But these conflicts in Honduras, it's important to stress, aren't isolated, particularly as it relates to mining. They are part of a systematic pattern of conflict in Latin America—and in fact globally—involving Canadian multinationals and backed by a Canadian foreign policy aimed at supporting Canadian companies' aggressive pursuit of profit regardless of the consequences. By my count since mid-2009, 15 people have been killed in Latin American conflicts involving Canadian mining companies. The most recent being a few weeks ago in Guatemala in a conflict with Tahoe Resources that ultimately lead to martial law being declared in the community surrounding the mine. Right now a civil suit against Hudbay resources is ongoing in Toronto for its alleged responsibility for the murder of an opponent, the shooting and paralysis of another, and the gang rape of several women in Guatemala. In January, Guatemalan Goldcorp security guards opened fire on protesting workers.

A study conducted for the Prospectors and Developers Association of Canada, not publicly released by them, but leaked instead in 2010, found that Canadian companies compared to their international counterparts have been far and away involved in the most conflicts of the past 10 years. For these reasons, there are emerging national and transnational movements against Canadian mining in Latin America—from blockades to national environmental campaigns to community referenda against Canadian mining in several countries.

● (1320)

As I wrap up here, we need to be clear. In Honduras and beyond in the global south, there is a history of conflict between Canadian multinational corporations and local communities. Regardless of what the mining industry or Neil Reeder might say to this committee, or what the Honourable Julian Fantino might say to the Canadian public, there is a wealth of academic research demonstrating that mining does not help in the economic development of poor communities. In fact, there are many studies that show it leaves them worse off.

I would add that there is also ample research challenging the claim that maquilas—enclave free trade zones for sweatshops—contribute in any meaningful way to a broader improvement in the standard of living in poor countries. The politics of aggressive free markets, strong foreign investor rights, the aggressive defence of Canadian mining companies—these things will not help poor Hondurans, Colombians, Peruvians, or Guatemalans. Indeed, I don't think they're designed to do so. They will only make an already vulnerable population more vulnerable.

Thank you.

The Chair: Thank you very much, Professor Gordon.

I'm going to say we have time for questions and answers of five minutes each, because these things tend to expand a little bit.

We'll start with Mr. Sweet.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Thank you, Mr. Chair.

The way that you closed, Mr. Gordon, has encouraged me to start with a different question than I wanted to.

You made a sweeping statement that Canadian investment and creating jobs would not be beneficial in Honduras. You mentioned mining, but you also referred to Gildan. Could you give me some reasoning for that?

● (1325)

Mr. Todd Gordon: I'll speak first to mining, and if I go on too long then perhaps someone could let me know because there's a lot I could say about that. There is quite a bit of research out there on this, but I'll list a number of points that I think are worth mentioning about why mining—

The Chair: Excuse me, Professor Gordon, but it sounds like you're going to use up the rest of the time, which is okay and that's your right. When I say we're going to keep these things limited, that's to keep the questioners from giving speeches, not to keep you from doing so.

I was going to say, as you structure your response to this question and others, that you have the option of submitting documentation to us. In fact, we invite it and it might obviate the need to give intense detail on certain things.

All right, please continue.

Mr. Todd Gordon: What I'll do then is highlight what I think are the key points on why mining doesn't lead to development and what the criticism in the academic literature suggests. I'll quickly list a few points, and if you want me to follow up on any of them, I'd be happy to do so.

The first is that mining often leads to displacement of communities that live on or near the mineral resource deposits, communities that might be small farmers or indigenous communities living at a subsistence level and relying on the local ecology, water sources, and so on. The physical act of building mines and the infrastructure needed for it often displaces those people.

The impact of mines involves a lot of chemicals that can be quite poisonous and filter into the groundwater system. Quite often, whether it's intentional or accidental, mining can be a very ecologically problematic practice.

Mr. David Sweet: That's true of all extraction.

Mr. Todd Gordon: Right, and this can have an impact on the future of the people. Even when the mine is closed, 10 to 20 years down the line, that land may not be arable anymore, and the water sources may not be usable.

Mining these days is extremely capital intensive, which means that the possibility for employment, particularly relative to the revenues that are being generated, is quite low. In local communities, particularly in the global south where mines are being developed, the local community doesn't have the skills for the skilled labour that's needed in those mines. The capital, the technology, and the infrastructure developed for the mines, to build and run the mines, are often imported. They're not connected to the local economy.

Mining, like maquilas, tends to produce enclave economies with not very strong backward linkages to the rest of the national economy. Higher value-added processes, which draw more wealth from the processing and refining of the minerals, tend to take place in the global north, not in the global south.

Commodity prices are set in the world market, generated primarily by the demand from the global north and China, and mining prices tend to be very volatile over time. So you're depending on prices that are set globally for the national revenue. But the mining regimes that are influenced in large measure by the Canadian International Development Agency, Foreign Affairs, and Natural Resources Canada tend to be neo-liberal mining regimes that have low royalty rates and various other things that make it a bigger draw for Canadian mining companies to go in there and invest.

I'll leave it there.

Mr. David Sweet: So in this circumstance, although we have mining practices that are very ecologically friendly, in the sense of being able to do that as much as possible with extraction—we see that in Alberta in the oil sands, where the technology for extraction has come leagues from where it was before—you're saying that those practices aren't under way in Honduras?

Mr. Todd Gordon: Well, I think people might question how ecologically sensitive oil extraction is in the tar sands in Alberta, but I would also say that a lot of critics and people living in Honduras would suggest that the mining regime that's developed in these countries and that Canada has input into doesn't have environmental regulations as strong as it should have.

Mr. David Sweet: Do I have time?

The Chair: You have time for one question, very briefly.

Mr. David Sweet: That's great.

We've had some very distinguished people here in the past, such as Michael Kergin and Adam Blackwell, and they have all said that although they agree the situation is not good—and we've had numbers ranging from 67 homicides per 100,000 to 82.1—they have been able to see some positive movement in the human rights situation with the Lobo regime. How would you feel about those comments?

● (1330)

Mr. Todd Gordon: I'm very skeptical of that.

I think the biggest pusher, the biggest agent, for an improved human rights situation in Honduras is the social movement itself, starting with the Frente Nacional de Resistencia Popular, the popular resistance front that formed in response to the coup, and the teachers' unions that have been out and protesting and playing a leading role since the coup. These are the forces that have been demanding human rights, and these are the forces that have paid a very dear cost.

I think if you follow what's going on in Honduras, you'll see things that make you question whether Lobo is really committed to human rights. As I mentioned, and as your other witnesses here have mentioned, placing Juan Carlos Bonilla as head of the national police and Arturo Corrales as minister of security, who was an adviser to the Micheletti dictatorship, and the level of impunity, which a number of observers have said—and I agree with them—in fact suggest a policy of the state....

I think the problems there are so deeply entrenched—and they move up the hierarchy—that nothing less than a very profound transformation of the judicial and security system in Honduras could change anything.

Sorry, I'm getting looks from—

The Chair: Actually, I said that I wouldn't cut you off.

I was going to cut the questioners off, but we only had 30 seconds left when you asked your question, Mr. Sweet, so it might make sense to move on. I just want to quickly ask a question, though.

You've just mentioned those movements. There were two lawyers.... When we started these hearings, they were centred around the then recent killings of Antonio Trejo-Cabrera and Manuel Díaz-Mazariegos. Were those two individuals associated with any of the movements you've mentioned or with a similar type of movement? Or was that separate from this?

Mr. Todd Gordon: I didn't catch both names. Antonio...?

The Chair: They were Antonio Trejo-Cabrera and Manuel Díaz-Mazariegos.

Mr. Todd Gordon: Antonio Trejo was a lawyer for the MARCA, which was one of the peasant cooperative movements, so obviously he was advocating for them, and that's why I think he was assassinated.

What was the other name?

The Chair: Just give me a minute, please. I am not the best with these things. It is Manuel Díaz-Mazariegos.

Mr. Todd Gordon: I'm trying to remember which one Manuel Díaz—

The Chair: In all fairness, it says here that he was a public prosecutor in Choluteca, so that actually answers the question.

Mr. Todd Gordon: Okay.

The Chair: Thank you, though. That was very helpful.

Mr. Marston, you've been very patient. It is your turn.

Mr. Wayne Marston: Thank you, Chair.

Welcome, Professor. So far, on the inference in your testimony about the president, I would read it the way most grassroots Canadians would: you're known by the company you keep. When he appoints people to positions of security who have known records of violating the human rights of the people, that says an awful lot. It speaks volumes. Then, to have that person put into place three of his cronies or co-conspirators, or whatever you want to call them—I mean, death-squad people—that is a real significant problem.

But I want to go back for a second to Gildan. They testified here. They talked to us about the Fair Labor Association and how their practices in their workplace were judged by the Fair Labor Association. Well, if you look at the board of directors of the Fair Labor Association, you see that it's all companies that have a vested interest in Honduras. Are you aware of that?

Mr. Todd Gordon: Yes. The Fair Labor Association has been criticized on a number of fronts, not even with specific respect to Honduras. It was also involved in a controversy over Foxconn related to Apple's factories in China. It's been criticized in general by the United Students Against Sweatshops for having weak code enforcement mechanisms, and so on.

Mr. Wayne Marston: I'm aware of that, and I was raising it for the interest of my friends here on the committee because it puts into doubt—

Mr. Todd Gordon: Right.

Mr. Wayne Marston: —some of the best practices as described by Gildan when they were before this committee. As for Goldcorp....

When we're talking about the murder rate being the highest murder rate of any country on the face of the earth, that in itself is a rather outstanding statement when you think about it. But we understand from testimony that a variety of studies have been done in South America, and there's a move by companies to hire former paramilitary as their security. Paramilitary is kind of a phrase for death squads, really, in a lot of countries.

I want to ask you about the taxes that are paid by Canadian companies for military security. Are you aware of that tax and the implications of that?

● (1335)

Mr. Todd Gordon: The security tax has been implemented, and I believe it's 2.5% with respect to Canadian mining. The security tax is being implemented in a number of different sectors, including for withdrawal of cash from bank machines, mining sector included. I think it will be a much more serious issue to look at, too, once the mining laws and regulations are in place. What you're going to see, of course, is a new wave of exploration and mining development taking place in Honduras. I think it's going to be a very serious issue. I believe it's in place for five years with a possibility of prolonging it after those five years.

Mr. Wayne Marston: I want to take you for a moment to charter cities. I don't want to get too far into it. I know it's an area where you had a different focus in your commentary here. In the free trade agreements that we've negotiated, it's opened the door to give companies national status, like states, which puts them in a position of being able to sue countries on an equal playing field. It's never been seen in our world economy before. When you add to that the proposition of charter cities, you're in a situation.... Let's assume at some point Honduras reaches a level of a democratically elected government that's genuine, they're hamstrung by charter cities and the mining laws and these other things. Would you like to comment on that?

Mr. Todd Gordon: That's the whole point of free trade agreements, mining laws, and charter cities. As I said earlier, if you read Foreign Affairs and International Trade's assessment of these laws, the language that's used is to lock in market access. The language they use is transparency and predictability, which on the surface sounds like it's something neutral politically and economically, but when you consider the asymmetrical relationship between countries of the global north and global south, the poverty of people in mining-affected communities, and in general in countries like Honduras, predictability and locking in market access are not neutral things. That's not the goal.

The goal is to ensure that as little as possible can interfere with the profit-making of Canadian multinationals and maquila companies, and the ability to repatriate that profit back here, with as limited low taxes as possible, as low environmental regulations as possible, and as weak labour rights as possible. If governments aren't seen to be fulfilling their obligations under these agreements, they can be sued for that.

I can give you a number of examples of that just down the isthmus from Honduras in Costa Rica, El Salvador, and so on, where human rights tragedies.... Despite that, a Canadian company is suing a very impoverished El Salvador for millions and millions of dollars, and a Canadian company is suing Costa Rica for a billion dollars over a mine—Las Crucitas—that is very widely opposed by the Costa Rican population. The idea is to limit the ability of the people, as much as it is the government of these countries, to actually challenge the power and domination of multinational corporations in these countries. That's the goal: free markets above social issues.

Mr. Wayne Marston: How much time do I have, Mr. Chair?

The Chair: You're basically a minute over.

Mr. Wayne Marston: Thank you, Mr. Chair.

The Chair: Thank you, Mr. Marston. I'm going to ask you to take the chair in a moment because I'll have to leave.

Ms. Grewal, please begin.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Chair.

Mr. Gordon, *The Economist* magazine ranks Honduras as the 85th most democratic country in the world, with a precipitous decline over the last few years. Nearby countries haven't seen such a sharp change for the worse. What is present in Honduras but not in its neighbours that is contributing to these problems?

Can you please say something on that?

Mr. Todd Gordon: It depends on which of Honduras' neighbours you're speaking of.

I wouldn't overstate how great things are in Guatemala or El Salvador. I mentioned the human rights problems in Guatemala related to Canadian mining. There are ongoing issues of impunity, where just this morning it was reported in *The New York Times* that a general convicted of genocide has had that case overturned. In El Salvador five activists fighting Canadian mining companies have been assassinated. Again, there are levels of impunity that go back decades. I wouldn't overstate how much better things are there. Though you're right, in Honduras the situation is much more dire.

I think in part what happened was that you had a stronger social movement emerge in Honduras over those last several years. The moderate—and I don't want to overstate this either—shift by Manuel Zelaya to the political centre-left, by placing a moratorium on mining exploration and development, slightly raising the minimum wage, opting into Petrocaribe, which is associated with Hugo Chavez, was greater in Honduras than in El Salvador or Guatemala. It has played a large part in the kind of reaction that you're seeing.

I don't think it's necessarily that the elite in Guatemala or El Salvador are so much better than their counterparts in Honduras, it's just that in Honduras they've been pushed in a way that they hadn't been since the days of the Cold War.

● (1340)

Mrs. Nina Grewal: Many critics accuse the local elite of using their power to strangle reform on a large variety of issues. How strong is this elite coalition, and from where is this rival challenge most likely to come? Are there any cleavages within the elite group, or do they display a high level of cohesion?

Mr. Todd Gordon: There are obviously disagreements and fights within it. Some people speculate that the suspension of the supreme court justices several months ago was a faction fight within the National Party. In my opinion, Honduras essentially has one political party with two factions within it, the National Party and the Liberal Party, that have ruled Honduras for many decades, with close ties to military leaders. This is going back prior to the Cold War, to the nineteenth century when Honduras was essentially a banana republic, as they problematically called it.

There is a very strong elite consensus in Honduras to exclude the popular classes from meaningful input. This has been expressed for long periods of time in Honduras, through military dictatorships, which formally ended in the 1980s. Clearly, observers have pointed out that the military and security apparatus has remained very strong and influential in Honduras. Persons involved in previous death squads in the Cold War period, trained in the School of the Americas, and so on, still play a significant role in these institutions and apparatuses.

I would say the only possibility for meaningful change in Honduras is the struggles from below. We've seen very brave, courageous struggles—the mass movements that grew up in response to the coup in 2009, the struggles for land reclamation in the Bajo Aguán by the peasant collective movements, and so on, I think those are our best hope for true social justice in Honduras. You are probably aware of the new political party that has formed, with Xiomara Castro de Zelaya running as leader. They've promised reforms and they're fairly popular, so we'll see what happens there.

The Vice-Chair (Mr. Wayne Marston): That finishes your time.

At this point, the chair is leaving and asked me to ask a question.

You referred to maquila companies. Would you define them for us? It's not a term we've heard here before.

Mr. Todd Gordon: Maquila is a shorthand that people use. It comes from maquiladora, which is the zone in northern Mexico on the border with the United States. The technical term that you'll see in the development literature texts are export processing zones. In Spanish, it's *zonas francas*. Essentially, a maquila is a company that operates in a maquiladora or an export processing zone.

The Vice-Chair (Mr. Wayne Marston): That's a colloquialism.

Mr. Todd Gordon: Yes.

The Vice-Chair (Mr. Wayne Marston): That's what we assumed, but we thought for the record, we should allow that.

At this point, we'll move to Professor Cotler.

Hon. Irwin Cotler (Mount Royal, Lib.): Thank you, Mr. Chairman.

In your remarks you mentioned the appalling situation of human rights in Honduras. This is the context in which the Canadian government and Canadian corporations operate in Honduras. The Canadian government is the second largest foreign investor in Honduras. Honduras is the largest bilateral aid recipient in Central America.

There's also the issue of the free trade agreement. As you discussed, there is the involvement of the corporations, particularly the mining sector. There's this culture of impunity. Given that whole context, what can Canada do to better promote the human rights situation, protect the human rights defenders, etc.?

● (1345)

Mr. Todd Gordon: Thanks. That's an important question. The first thing has to be to stop support for the Lobo regime, absolutely and unequivocally: financial support, diplomatic support, security support. To stress this point, Canada has been one of the strongest supporters of the Lobo regime, especially diplomatically, since it was elected and came to power in 2010. It issued a press release, if my memory serves, congratulating it and saying it would recognize the government, prior to the United States doing so. Peter Kent visited the country and met with Lobo and high-level cabinet ministers twice before Hillary Clinton did.

There's a history here of strong diplomatic support that has to be cut unequivocally. We need to cut security funding until there is a deep, dramatic transformation in the issue of impunity in Honduras and withdraw from the free trade agreement. There's no possible way, in my opinion, that a free trade agreement with Honduras could serve the needs of Hondurans economically, human rights wise, and certainly not environmentally, given the deep asymmetrical relationship between the two countries and the poverty and impunity in Honduras.

We need to place limits and restrictions on Canadian companies' activities in the country until proper democracy and accountability for human rights are restored, and demand through both bilateral and multilateral forums that perpetrators of rights abuses under both the Micheletti government dictatorship and the Lobo government be brought to justice, and the victims of the human rights abuses be compensated.

Hon. Irwin Cotler: To follow up in the brief time I have left, on your last point on Canada involving itself in multilateral forums, is the Inter-American system able to provide any measure of protection to human rights defenders under threat in Honduras? Have their prospective protective measures under that system been effective?

Mr. Todd Gordon: I think they've been of limited import so far. The Inter-American Commission on Human Rights, Amnesty, Human Rights Watch, as well as Reporters Without Borders, have issued various reports, communiqués, releases, and so on, about the human rights situation, calling for protection of human rights activists. Unfortunately, if you look at the precedent in Honduras, the proof is in the pudding, so to speak. I don't think it's been nearly as strong as it could have been. It's going to require much more significant measures than that to improve the situation of human rights impunity in Honduras.

Hon. Irwin Cotler: Could Canada act so as to improve the Inter-American human rights system's protection of human rights defenders in Honduras?

Mr. Todd Gordon: I think that's fine. It's one possible avenue among many, including the ones I've mentioned, of using the Inter-American Commission system to continue to press, and press strongly, on the Honduran government to respect human rights to end impunity, and so on.

Again, just to stress this point, you mentioned that Canada is the second largest foreign investor and a very large aid donor to Honduras. I don't know what its foreign investment is these days. I haven't seen the numbers in the last year or so, but they're fairly high, particularly relative to the United States, which is a much larger country. Canada certainly has influence that it can advance in Honduras to affect it. I would think there are a number of avenues.

Hon. Irwin Cotler: Thank you.

The Vice-Chair (Mr. Wayne Marston): Thank you very much.

At this point, we go to Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Thank you.

Thank you, Mr. Gordon, for being here today. On the last statement you made that Canada could have a great influence in Honduras, you say “could”. So is working within not better than working without? If we have trade agreements and we work with the government, is that not better than working outside?

Mr. Todd Gordon: No. I think that is premised on the idea that the trade agreement could actually advance human rights. I know the argument is out there that more foreign investment is good for human rights. I don't believe that's the case. When people raise this issue, I refer to it as the trickle-down theory of human rights, kind of like the trickle-down theory of economics. I don't think it can actually be proven that either of those things work. Human rights, similar to standards of living, are improved when people struggle, and struggle successfully through their workplaces, through their communities, and so on, to improve their human rights, when they put pressure on power.

I think entering into a trade agreement, pursuing the mining law, is counterproductive to improving human rights in the country, and Canada's best move is to withdraw from these things and put pressure on the government that way.

● (1350)

Mr. Gary Schellenberger: One thing I've learned in this committee when it comes to human rights, and those people who are downtrodden and don't have the human rights that we're so fortunate to have here, is rule of law.

When there is no rule of law you have poverty, then murders go up. They do. This is the thing we see going on in Honduras right now, the rule of law necessarily is not there. Poverty is rampant. These things all go together.

Say Gildan pulled out of the garment industry, and I think it's roughly 40,000 they employ, or maybe it's more than that—

Mr. Todd Gordon: I think for Gildan it's less than that. It's around 20,000.

Mr. Gary Schellenberger: Whatever it is. I think roughly $90 a week is what employees get paid.

Mr. Todd Gordon: That's the maximum.

Mr. Gary Schellenberger: I think the average wage in Honduras is about $1.50 a day. Am I close?

Mr. Todd Gordon: I'd have to look at my notes for that.

Mr. Gary Schellenberger: All I'm saying is if Gildan were to pull out, and the mining industries pulled out, where are these people going to be employed?

Before you answer, I have to say one thing. When you talk about some of the atrocities and sweatshops—it's not my understanding that Gildan has sweatshops in Honduras. I do know they bought a business out in Bangladesh about five years ago, or the building was built about five years ago. When they went in to take over the building, they found there were no fire escapes, they found there was no elevator. People were going five floors up carrying things on their heads. They took engineers in and found out structurally it was not the greatest place. They spent over a million dollars in Bangladesh, which is probably quite a bit of money, and they reinforced the building. They put in fire escapes. They did these things for the safety of their employees.

You don't go into a country like that and pay them minimum wage of $10 an hour. You can't do that, when the average wage is a buck and a half.

How would you say these people are going to support themselves without some of these jobs?

Mr. Todd Gordon: As I said with respect to the mining industry, the mining industry is not a major employer of people. It won't be a major employer of Hondurans. It's too capital-intensive an industry. It leads to greater displacement and dislocation of people, which can't possibly be compensated for by employment in the mining sector.

With respect to Gildan and its operations in Honduras, from the people I've spoken with—and I know you've heard testimony from Karen Spring—and the different reports I've read about Honduras about Gildan there, I would say it meets the standards of sweatshop labour based on the working conditions that people describe to me, the injuries people working there have described to me, and so on. I think it's not that Hondurans don't want jobs—obviously they do—but they want jobs that they would describe as fair, as having dignity.

I think the majority of Hondurans would prefer the development of a nascent sector that is much more tied to the broader development of Honduras, in which jobs would be much stronger and more widespread. That's not possible in an enclave maquila export processing zone, because it's not set up to provide for the broader development of Honduras. It's simply not. They've displaced the industry that was set up to do that.

● (1355)

The Vice-Chair (Mr. Wayne Marston): Good. You wrapped up. That's a full minute over, but that's fine. It's great to have you expand on some of the information.

Monsieur Jacob.

[*Translation*]

Mr. Pierre Jacob (Brome—Missisquoi, NDP): Thank you, Mr. Chair.

Mr. Gordon, thank you for appearing before our committee this afternoon.

You mentioned a new political party with an agenda that included reforms. We know that Porfirio Lobo's National Party was elected in November 2010, but that no NGO oversaw the electoral process.

The next election is slated to take place soon, in 2013 if I'm not mistaken. Are you optimistic? What conditions are necessary in order for Honduras to hold a more democratic election?

[*English*]

Mr. Todd Gordon: I'm cautious. The party that you referred to, Libertad y Refundación, "Refoundation and Liberty", is inspiring in so far as it's carving out new political space on the political terrain in Honduras. It has been shaped and inspired by the social movements that emerged after the coup, with a program to meaningfully challenge power and push for serious reforms in the country.

On the other hand, as I know other presenters have said to this committee, the level of impunity is such, right now in Honduras, that the possibility of a free and fair election really needs to be called into question at this point. A number—and I don't know it offhand—of members of the party have been assassinated. There are people who face threats and so on. So I think we should approach those elections with a great degree of caution and awareness about the potential dangers that the party Libertad y Refundación and its members face.

So we're cautiously hopeful, but very cautiously hopeful.

[*Translation*]

Mr. Pierre Jacob: Thank you.

I have a second question, if I may.

The Charter Cities have come under some criticism. Some argue that they are a form of colonialism in 21st century packaging. A number of civil society groups view the asymmetric trade relationships as a form of colonialism.

What do you make of those arguments?

[*English*]

Mr. Todd Gordon: I don't think the current free trade regime in our neo-liberal global world can possibly be fair or equitable. They're not written that way. As was mentioned earlier, they're designed with certain clauses around most favoured nation, national treatment, and the investor clause. We should be clear, too, that free trade agreements are actually driven by foreign direct investment, not free trade. That's the main motivator of free trade agreements, despite their name. It's foreign direct investment. They're meant to give privileged, locked-in access to Canadian and other companies into the cheap labour and the abundant natural resources of these countries. They exist in a global context of asymmetrical relations between global north and global south.

I don't believe in that context, that free trade agreements can be socially just. I don't believe they can lift people in Honduras or other parts of the global south out of poverty. That's not what they're designed to do. In fact, they were designed primarily with the interests of Canadian companies in mind. That's clearly what they've been designed for, including the right, as was mentioned earlier, to sue local governments. I don't think it's unfair to call it economic colonialism.

● (1400)

[*Translation*]

Mr. Pierre Jacob: I have a minute left, and I am going to use it to make the following comment. I understand why you aren't very optimistic. Honduras is not a state governed by the rule of law. People's human rights are trampled. Repeated killings are common. Corruption is rampant. Impunity reigns. Many Hondurans live on less than $1.25 a day.

In those conditions, is it possible to pursue sustainable development in Honduras right now, while respecting the environment, people and communities?

[*English*]

Mr. Todd Gordon: I think it's exceedingly difficult to do it in present-day conditions in Honduras. I don't want to rule it out entirely. There might be small potable water projects that can make a difference in poor communities that don't have access to these water projects. But it's very difficult with the level of repression that goes on in Honduras and the ways in which aid money can be very politicized too. It's worth noting. I mentioned the mining law a number of times in Honduras. I've mentioned that, in general, Canada pushes certain kinds of mining laws on to global south countries. Honduras isn't any different. Foreign Affairs, International Trade, as well as CIDA, have clearly influenced and sought to influence the mining law in Honduras.

When we talk about aid I raise this because we should recognize that CIDA money, and whatever CIDA will be in the future under Foreign Affairs, is not simply for humanitarian projects. Increasingly, it's not for humanitarian projects. It doesn't exclude those entirely. A large part of what it's doing is funding and creating what it would consider a good business climate for Canadian multinational corporations to go in and do business successfully.

As I wrap up, CIDA has committed for the next 10 to 12 years, roughly, in the global south, $255 million to influence mining policy in various ways. In Latin America it's $100 million.

The Vice-Chair (Mr. Wayne Marston): I have to cut you off there. You're a full minute and a half over. I was trying to allow you to wrap up your thoughts, but your thoughts continue on.

Anyway, at this point in time I have to see the clock. We have to get into the House.

Professor Gordon, I want to thank you for being here and for the information you brought to us. If you have anything else that you'd like to add statistically, please forward it to the clerk.

Mr. Todd Gordon: Okay.

The Vice-Chair (Mr. Wayne Marston): Colleagues, the meeting is adjourned.