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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)): Good afternoon. I welcome everyone to meeting No. 68 of the Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development, on Thursday February the 14th, which is also Valentine's Day.

[*English*]

We are televised today, so don't do anything you wouldn't want your mother to see. Pursuant to Standing Order 108(2), we are continuing our study into the human rights situation in Eritrea, a study that has revealed some fascinating testimony so far.

Felix Horne, who is a researcher on the Horn of Africa for Human Rights Watch, is our witness today, and this promises to be a very interesting meeting indeed.

Mr. Horne, please feel free to begin. As you know, we'd like you to keep your testimony around 10 minutes. It's not a firm deadline, but that allows us to allow maximum time for interaction with the members of the committee, given the constraints that we face on our time.

Mr. Felix Horne (Researcher, Horn of Africa, Human Rights Watch): Thank you. As this committee is aware, Eritrea is one of the world's most repressive countries. Its government has pursued a path of crushing political repression at home and a belligerent foreign policy. There is no civil society. There is no independent media. No elections have been held since independence in 1993. And torture is widespread.

Eritrea's impoverished economy has also suffered greatly because of the government's political and diplomatic isolation, but in recent years the government has actively courted international investors attracted by the country's large and untapped mineral resources.

The Bisha project, which is majority-owned and operated by Canadian firm Nevsun Resources, is Eritrea's first and so far only operational mine. It began gold production in 2011 and produced some \$614 million worth of ore. To put that in perspective, the entire GDP of Eritrea is \$2.6 billion, so it is a significant amount, a significant input into the Eritrean economy. Other companies from Australia, China, and Canada are poised to develop further mines.

Eritrea is also well known for its national service program, which uses forced labour indefinitely. Through this program, the Eritrean

government keeps an enormous number of Eritreans under perpetual government control as conscripts. Originally conceived as an 18-month program, the national service scheme now requires all able-bodied men and most women to serve indefinitely, often for years with no end in sight, under harsh and abusive conditions. Those who try to flee risk imprisonment, torture, and even reprisals directed against their families.

Eritrea's national service program is not a secret. There is a lot of documentation about the types of violations and types of abuses that take place under that program. In 2009, Human Rights Watch produced *Service for Life*, which outlined some of those violations, including the use of forced labour.

Some national service conscripts are assigned to state-owned construction companies that exercise a complete monopoly in the field. International mining firms operating in Eritrea face intense government pressure to engage these contractors to develop some of their project infrastructure. If they do so, they run a pronounced risk of at least indirect involvement in the use and harsh mistreatment of forced labourers. This means international mining companies, including Nevsun Resources, could see their projects develop on the backs of forced labour.

Now, when Nevsun Resources began building its Bisha mine in 2008, it failed to conduct human rights due diligence activity and it did not have adequate procedures in place to ensure that forced labour was not being used to develop the project. At the government's insistence, the Bisha project engaged Segen Construction Company, which is a state-run PFDJ contractor. And there's evidence that Segen regularly exploits national service conscripts in its activities.

Human Rights Watch interviewed some Eritreans who worked at Nevsun's Bisha mine project in various capacities, including two who said they were conscripts forced by Segen to carry out construction work at the mine site during its initial development. There was also clear evidence that many of Segen's workers at Bisha during that period faced terrible conditions, from inadequate food supplies to unsafe housing. The workers we interviewed said that national service conscripts lived in fear and had been ordered not to complain about their situation. One former conscript told Human Rights Watch that he was captured and imprisoned after leaving the mine site without permission in order to attend a friend's funeral. Since the publication of the report, numerous other individuals have come forward and their testimonies and stories are very consistent with the types of allegations that we outlined in the report.

Human Rights Watch engaged in extensive dialogue with Nevsun about these allegations to try to understand what steps the company has taken to address them. Since our engagement with Nevsun, to their credit, they have tightened their policies, largely through an improved screening procedure that is meant to vet all workers at the mine to ensure that they're there voluntarily.

Nevsun, as you know, says that these policies are now adequate to the task of keeping the project free of forced labour, but—and this is critical—the company does not know for certain whether conscript labourers are being used at Bisha or not. When Nevsun sought to interview Segen workers in an effort to ensure the company was not complicit in the abuses, they were refused by Segen. When they sought to visit the camps to investigate the living conditions of Segen workers, again they were refused.

So its efforts to investigate these allegations have been obstructed by Segen itself and Nevsun appears to feel it has no power to confront its own state-run contractor about these allegations of abuse. Instead, its response to Segen's stonewalling has been one of quiet acceptance.

• (1315)

But Nevsun cannot simply pass on the responsibility for human rights problems at its mine site to the contractor it is paying to work there. Any human rights abuses by Segen would implicate Nevsun and Nevsun has the responsibility to investigate them and to ensure that they stop.

For us, the lessons here are clear. Mining firms must either find ways to ensure that their Eritrea operations do not involve them in the use and maltreatment of forced labour or they should not invest there at all. They cannot afford to develop human rights safeguards on the fly when project development is already under way. They must develop them before they begin mine development. If their projects in Eritrea do become complicit in the use of forced labour, they should be held accountable by their own governments and by their shareholders.

We believe that Nevsun should immediately work to address the shortcomings of its engagement in Eritrea and refuse to continue operating under the status quo. The company should insist on full cooperation from its partners in investigating the allegations of human rights abuses connected to the mining project. Nevsun's experience should serve as a clear reminder to other mining and exploration firms, including the other Canadian firm, that they are

now on notice and that they face the risk of being complicit in human rights abuses should they choose to invest in Eritrea's mining sector.

Unfortunately, there is no indication that other mining firms developing projects in Eritrea are taking these risks seriously enough. Three firms, including Canada's Sunridge Gold, are actively moving ahead with plans to develop new mines in Eritrea, while other firms are exploring numerous other potential projects. The Canadian firm Sunridge failed to reply to repeated efforts to contact it by phone and by writing.

In conclusion, our report serves as a strong example of why governments, like those in Canada, need to develop mechanisms that pay close attention to the human rights records of their companies when they operate abroad.

We call on the Government of Canada to do three things: first, to implement legal frameworks that allow government institutions to monitor the human rights performance of Canadian companies when they operate abroad in areas that carry serious human rights risks, such as Eritrea; second, to take steps to regulate the human rights conduct of domestic companies operating abroad in these complex environments, such as requiring companies to carry out some form of human rights due diligence; third, to communicate an expectation to the Government of Eritrea, that companies investing in their mining sector should not be using forced labour or be involved in any other human rights abuses.

Thank you.

The Chair: Thank you.

Mr. Horne, before we go to our questioners, I just wanted to ask you this. You gave us some numbers and I just missed out on the beginning. The total GDP of Eritrea you said was \$2.6 billion. What did you say the Bisha Mines' revenues were?

Mr. Felix Horne: In 2011, \$614 million worth of ore is cited for Bisha.

The Chair: So it's more or less a quarter of the total GDP of the entire country.

Mr. Felix Horne: Correct. It's a significant amount.

• (1320)

The Chair: That would be a fairly accurate number I assume, because Nevsun has to report back to its shareholders and therefore has a responsibility at this end, if not in Eritrea, to be precise about its numbers.

Mr. Felix Horne: My understanding is that this number is based on Nevsun's communications.

The Chair: All right. Thank you very much.

It is 20 past, according to my watch. We have lost our inaccurate clock over there, you may notice. This should give us time to have a six-minute question and answer period per questioner, but if you ask a long question I may have to interrupt our witness in order to allow others to also pose questions, so please be concise. That's a message not to our witness but to our MPs.

We begin with Mr. Sweet.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Thank you for that message, Mr. Chair. I will be as concise as I possibly can.

Thank you very much for your presence here, Mr. Horne.

I wanted to ask you for your comment on a statement that was made by Mr. Davis, president and chief executive officer of Nevsun Resources who was here before us. He said, "Nevsun has only a limited ability to influence and control events in Eritrea, but neither are we without influence so long as we exercise it judiciously. We are practising the tried and true Canadian approach of quiet diplomacy."

You had mentioned that you wanted to give Nevsun some credit in that regard. Do you feel that it's doing a good job in this regard, as he stated?

Mr. Felix Horne: It's difficult. Nevsun should have employed these sorts of procedures and had these sorts of discussions before it began operations. Once the mine is operational, it's very difficult to put these sorts of procedures in place. Given that it didn't do that, it has taken steps in the right direction in terms of putting in some processes. But the fact that they are not allowed to visit the Segen camp and interview Segen workers, the subcontractor that it is paying, is a huge problem. It still cannot determine whether or not it is using forced labour.

Mr. David Sweet: I asked Mr. Davis a question regarding the validity of some things that were on the Internet, because we know what the Internet is like. He said:

You may recall from my preliminary statement that we made investigations, starting in 2010, when we were actively involved in the development, about...and not reacting to those assertions at all. Rather, they initiated initially by our contractor on site due to productivity issues.

He went on to say that they made an investigation, however, it was challenging, and that they did provide better facilities. He said they supplied additional food to ensure people were well fed, and they complained to the subcontractor. He said that to some degree that remedied the situation.

He's claiming that he actually did have access and was able to investigate to some degree, but you're saying they don't have any ability at all.

Mr. Felix Horne: Our understanding, based on recent communications that we have had with Nevsun, is that they were not able to visit the site or interview Segen employees.

The other thing, as we talked about with the contribution to GDP, is that Nevsun is in a very powerful position. It's not that they need to accept what the Government of Eritrea is asking them to do without any sort of ability to negotiate. Certainly the least they should be asking is to be able to monitor, effectively, the conditions in the camp of their subcontractor, whom they are paying.

Mr. David Sweet: I want to give you another quote from Mr. Davis:

Back in 2008, when we really started this development project, we recognized that there was a potential national service issue with respect to the subcontractor, when we started employment with the subcontractor, engagement with the subcontractor. We hired an independent consultant that was recommended by World Bank institutions, and they developed a process—quite a comprehensive process. Over the past number of years, naturally, that process has even further developed. I mentioned some of it in my earlier statement.

He's speaking about the fact that he's able to actually deal with that subcontractor now. However, his remarks were that he doesn't have as robust an influence with that subcontractor as he does with his own people.

You do see a difference with the people directly hired by Nevsun, whom Mr. Davis said were there on their own accord and he had developed a process for interviewing them, and the subcontractor.

Mr. Felix Horne: We have not heard any allegations that individuals who were employed directly by Nevsun had this problem. It's primarily the subcontractor.

Mr. David Sweet: Were you aware of this person who is acting as a consultant from the World Bank to remedy the situation with the subcontractor for Nevsun?

Mr. Felix Horne: I heard the statement that he gave before this committee, but beyond that, no.

● (1325)

Mr. David Sweet: So you don't have any evidence of anything on the ground?

Mr. Felix Horne: With the initial discussions we had with Nevsun, it was quite apparent to us that they were not aware of the risk before they began the mine site development.

Mr. David Sweet: What date was your initial conversation, Mr. Horne?

Mr. Felix Horne: I'm not entirely sure, but I believe it would have been early 2012.

Nevsun, as mentioned, was very forthcoming with us, and it was a very open dialogue, which was appreciated. It was clear that there wasn't a really good understanding of what some of the risks from the national service program were for their company.

Mr. David Sweet: Mr. Chair, there's a very significant divergence here.

I want to point for the record that Mr. Davis clearly said that back in 2008 they began this investigation specifically regarding the subcontractor. That's what I have in the transcript before me. Mr. Horne is saying clearly that as far as their meetings, Nevsun wasn't aware of the situation in 2012. It concerns me that there's that four-year disparity there.

Thank you.

The Chair: Thank you very much, Mr. Sweet.

Mr. Marston please.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Thank you, Mr. Chair.

Welcome, Mr. Horne. We're pleased to have you here. Anybody going to that part of the world, with the kind of government.... It's hard to even use the word "government" in relation to a system like they have.

Mr. Davis was before us and he said that there was no use of slave labour as such. Listening to your testimony, it sounds to me like they were very naive when they went in there. I'm very reluctant to point fingers at any Canadian company and say they would deliberately engage slave labour or support it in any form. I would like to think they wouldn't, but on the other hand it sounds like they were really naive.

Another statement we had is that their CSR page indicates the company "has embarked on a number of programs with the community and the local, regional, and central government" to ensure the benefits of their project are actually widespread and that the community is fully and properly engaged with the development and operations.

That's a very nice statement, and I hope it's true. What's your reaction to that statement?

Mr. Felix Horne: There's certainly not a lot of evidence that this statement has been sort of followed through on, or implemented. It seems that Nevsun took a lot of what they heard from the Government of Eritrea at face value and didn't do their own investigations and didn't perform proper due diligence to see what some of the risks were.

Mr. Wayne Marston: You have to question whether that's benign neglect, and it's to their advantage not to know. Again, I don't want to make accusations here, because it's a very, very difficult place to function. From the standpoint of a committee of Parliament, if we're trying to look at where we can go to influence a situation like that, obviously Canadian companies would be one of the places that we could start. And in fact, because of suggestions in Parliament about a corporate social responsibility act—I think it was Bill C-300, if I remember correctly, that people tried to get through here—at least it drew attention to the fact that our companies do have a social responsibility when they're in these other countries.

It's very important to us that your organization provides us with this kind of counter-perspective of what's happening. In your organization's dealings in that country, what are your opportunities to actually explore what's happening there? I can't imagine you having very much freedom.

Mr. Felix Horne: It's very, very challenging. It is the most difficult environment in Africa to do human rights research of any sort. Like many organizations, we don't have access to the ground, so a lot of individuals we interview are located outside of Eritrea, people who have fled national service. There are many, many refugees who have fled Eritrea's national service program. There are many of them here in Canada, and many of them here in Ottawa, so we speak to them and we use sort of creative means to try to corroborate some of the testimony and evidence that we hear.

At the end of the day, it's very difficult to find accurate information on what happens in Eritrea. There's no civil society, there's no independent media whatsoever. Yes, it's very, very difficult.

Mr. Wayne Marston: Among the witnesses you talk about being in Canada, would there be anybody you think who would be worth having testify at our hearings?

Mr. Felix Horne: Certainly I'm sure there are individuals who might be willing to testify about national service and some of the typical sort of violations that individuals face in the national service program. One of the things about Eritrea, though, is that Eritreans outside of Eritrea are also very afraid to speak. The Eritrean government typically targets their family members back home. If you flee national service, there's a series of penalties incurred by your family members. So it might be difficult to find somebody, but we can explore that.

•(1330)

Mr. Wayne Marston: We might be better off going to information through organizations like yours in order to protect these individuals, but it was worth asking.

How's my time, Mr. Chair?

The Chair: Two more minutes for questions and answers.

Mr. Wayne Marston: Two minutes; well, that's going to prove interesting.

Are you aware of other companies in this country besides Canadian companies that are in like projects to Nevsun's, and how might they compare to Nevsun's approach? On the scale of comparison, are we doing reasonably well, at least? And if not, where would we have to ask them to move to, to really bring it up to where they should?

Mr. Felix Horne: It's difficult to answer because Nevsun is actually the first operational mine in Eritrea. The other two large companies are an Australian company, South Boulder, and then a Chinese company that recently bought out another Australian company. They're just at the very beginning of their processes. We hope that those two companies, along with the other Canadian company, Sunridge, begin to learn the lessons from Nevsun. It's difficult to say at this point because Nevsun really was the first.

Eritrea has had a very closed economy until it opened up recently for the mines.

Mr. Wayne Marston: Just by the productivity, you can see that they haven't evolved very well at all.

Mr. Chair, just to let you know, I have an S.O. 31, so I will have to leave very shortly.

The Chair: Shall I have the clerk give you a warning when we're getting close?

Mr. Wayne Marston: That's okay. I have this on my BlackBerry.

We have to encourage people on BlackBerry, since they're a good Canadian company with good jobs and good pay, unlike ones that are made in China.

The Chair: Okay. All right. By a happy coincidence, your time just ended.

We'll move now to Ms. Grewal.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Mr. Chair, and thank you, Mr. Horne, for your time and your presentation.

Human Rights Watch has described Eritrea as one of the most repressive countries or regimes in the world, and it has garnered relatively little popular notice. Given the success of past rights awareness campaigns, what's stopping the situation in Eritrea from being high profile? What can be done to raise a little bit more awareness in the world?

Mr. Felix Horne: That's a very big question.

It's very difficult to get information on what's happening inside Eritrea, and Eritrea is under UN sanctions. A lot of the things that we would typically ask for have already been done. There is not a lot of private investment. There is not a lot of aid money flowing into the country, so it closes off a lot of traditional advocacy strategies.

One thing we're seeing, though, with the opening up of the mining sector, is that does provide some leverage not only for those corporations, but also for the governments where those corporations are housed, to begin to push Eritrea on reforms. Eritrea needs those mines operational as much as the corporations need those mines. It's handing the regime a financial lifeline that is critical.

The other thing, which has been discussed at this committee in the past, is the practice of Eritrean consulates and embassies around the world to collect taxes from its diaspora members. We haven't done any detailed research on that so we can't speak to specifics, but certainly there are lots of allegations about consular services being denied if you don't pay the 2% income tax along with other donations to national defence forces, etc. There are numerous allegations about families back in Eritrea being targeted when individuals refuse to pay the diaspora tax.

I think that certainly provides an opportunity for governments hosting Eritrean diplomatic relationships to begin to have a bit of sway. Certainly in Canada there is a consulate in Toronto.

Mrs. Nina Grewal: Eritrea's national service is notable not only for its brutality but for its wide applicability. Eritreans are called not only to serve in the military but to take construction and civil service jobs as well, and they're extremely poorly paid. How does the government maintain such a massive kind of program that adversely affects so many people in their country?

• (1335)

Mr. Felix Horne: Yes, the national service program, the scale of it, is quite incredible. As I mentioned, it was originally conceived to last 18 months, but many people spend their entire lives in national service, and anyone who dares to flee or not participate is often jailed in very inhumane conditions. Torture is widespread. For a period of time there was a shoot-to-kill policy at the border for individuals fleeing Eritrea, often fleeing national service.

Family members of those who flee national service are targeted. There is no opportunity for conscientious objection on religious grounds or any other grounds, so it really is a program where no one has any choice, and even if you're lucky enough to get out of the program, to flee the country, your family members, your loved ones are targeted. It's very difficult.

Mrs. Nina Grewal: Authoritarian and totalitarian regimes go to great lengths to repress dissent in every form. So Eritrea has no free press and restricts assembly. But are there any kind of significant dissident groups who speak against the regime? Are there groups of Eritreans who work for reform?

Mr. Felix Horne: There are many Eritrean diaspora groups located in Canada and elsewhere who openly speak out against the regime and try to push for political reform, for free and fair elections, for constitutional change, and for everything, but their ability to bring about change is quite limited.

Mrs. Nina Grewal: Eritrea commonly uses the excuse of ongoing tensions and formal conflict with Ethiopia to postpone its elections or avoid expanding its international relations. So what are the prospects of improving Eritrea's relations with Ethiopia and the rest of the region?

Mr. Felix Horne: I think that's a very complicated question. Certainly Eritrea is under UN sanctions because of its support for al-Shabaab in Somalia. Eritrea has basically become the pariah of the international community and certainly of Africa. It does not have a lot of friends.

As for the relationship with Ethiopia, again, it's difficult to know exactly what is happening. It's complicated, nuanced. But certainly the Government of Eritrea uses the threat of Ethiopia as a justification for national service, and as you say, for not holding elections and for keeping up that constant state of fear that people live in.

Mrs. Nina Grewal: Eritrea is very strict in its limits on religious practice and observance, so why does the Eritrean government see states as threatening and how have those organizations chosen to be legally dealt with under the burden of an invasive government? Could you say something about that?

Mr. Felix Horne: Again, we haven't done any recent detailed research on that, but in a nutshell I believe there are five religions that are allowed in Eritrea. All other religions are banned. Those who practise those religions are arrested and often tortured and told to denounce their faith. There have been a number of stories about Jehovah's Witnesses, for example, who have been tortured. The rest have been tortured solely because they refuse to renounce their faith. That's a huge concern, obviously.

Those individuals who belong to religions that don't want to participate in national service are not given the right to opt out.

The Chair: We have to move on. I know Ms. Grewal had another question. I'm going to try, if we can go through all of them, to come back to her.

I can tell you were working up to something that was important, but I have to respect the rotation.

Professor Cotler, you're next.

Hon. Irwin Cotler (Mount Royal, Lib.): Thank you, Mr. Chairman. I thank the witness for his testimony here. As you may recall in his appearance before our committee, the president and chief executive officer of Nevsun, Cliff Davis, testified that of the 1,194 Eritrean nationals employed at the Bisha site, 88% of the total employed there, are “there of their own free will”. He went on to say they received pay far above Eritrean standards, in addition to medical care, free food, and accommodation at the mine. When I asked Mr. Davis if he was aware of human rights violations in Eritrea, generally speaking, he said no.

When I asked him if he was ever advised about human rights violations in Eritrea by anyone, he said no. When I asked him if he was aware of human rights violations at the Bisha mine site, he said no. When I asked him if he was advised by anyone of human rights violations at the Bisha mine, he said no.

When I asked him, and I'm just summarizing, whether he had ever conveyed to the Eritrean government any concern of any kind about any human rights violation, his answer to me was, “I don't acknowledge the premise” of the question, “because that's a premise that is asserted by people outside of...our mine site and there are no human rights violations on our mine site.”

In the end, it was, in my view, a presentation, a testimony—and I trust I wasn't being unfair—that appeared to hear no evil, speak no evil, and see no evil. It's interesting that after the release of your report, Nevsun issued a statement on January 11 indicating that it had taken steps to prevent the use of forced labour by subcontractors at the Bisha mine site, but expressing regret that certain employees of Segen were conscripts four years ago.

Again, it seemed to me to disclaim accountability in that regard as well. My question to you now is this. First, do you think the appointment of a special rapporteur in this situation of human rights in Eritrea could have a positive impact on the situation of human rights in Eritrea? Is there anything that Canada can do to help support the special rapporteur?

Second, what specifically might Canadian parliamentarians be able to do to raise the profile of concern about human rights issues in Eritrea, whether we could engage effectively at all with the Government of Eritrea or other stakeholders in order to improve the human rights situation in Eritrea, generally, and with regard to mining, in particular?

• (1340)

Mr. Felix Horne: Certainly Eritrea's human rights record is not a surprise. If you google “Eritrea human rights”, you'll get a whole list of different things. So for him to say that he was not aware of human rights concerns in Eritrea generally, I don't accept that, unless he just doesn't want to know.

In terms of whether, on his mine site, there are human rights violations, he says no. I say he doesn't know. They've openly said that even though they put these procedures in place, they aren't allowed to visit the camp where these allegations were made. I would say that's a pretty significant gap.

Given that Canadian companies are now involved in Eritrea—Nevsun and Sunridge Gold, with a possibility of more—and given that the Eritrean government operates a consulate here where they

collect a tax from the Eritrean Canadian citizens, which provides them a financial lifeline, I think the Government of Canada does have some leverage to engage with Eritrea and to push for an improvement of the human rights situation there.

Canada generously admits many Eritreans to Canada as refugees and many of those Eritreans are fleeing the very program that a Canadian company is profiting from. That causes me great concern.

Hon. Irwin Cotler: Have you noticed any change, as a result of your report, with regard to the operation in the mining area and the operation of Nevsun in that regard?

Mr. Felix Horne: As you mentioned, processes have been put in place since our report to try to limit the potential for the use of forced labour. Given the difficulty of accessing the site, it's very difficult to assess whether or not it's had an actual impact on the ground. We do hope that the other companies—Sunridge, South Boulder, etc.—now that this report is out there, can't say they don't know. Hopefully they can put procedures in place prior to their mine sites being developed, so they can begin to address some of these issues and some of the other human rights risks that could occur on the mine site.

The Chair: The other companies you just mentioned there, Sunridge—

Mr. Felix Horne: Sunridge is a Canadian company and South Boulder is an Australian company, involved in potash.

• (1345)

The Chair: Okay—this has already been mentioned but I'm forgetting—are they both bidding for the same sites to develop? Or are they developing two separate sites?

Mr. Felix Horne: They've developed two separate sites. From what I understand, they're beginning production in the next one or two years, I can't recall, but they're on the verge of developing their mine sites. From what we understand, there are also numerous other mineral development opportunities that different firms in Canada and elsewhere are exploring.

The Chair: This is within the boundaries of Eritrea.

Mr. Felix Horne: Within the boundaries of Eritrea, yes; Eritrea is very rich in gold, copper, zinc, potash, etc.

The Chair: Right, thank you.

Mr. Schellenberger, please.

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

And thank you very much for your insight here today.

How would you characterize Eritrea's form of government? Power within the Eritrean government is reported to be highly concentrated around the president. Do you believe these reports are accurate?

Mr. Felix Horne: We base our conclusions on very little information, like everyone else. But from what we understand, yes, the power is very highly concentrated in the president.

Mr. Gary Schellenberger: To what extent does the Government of Eritrea allow for free speech, particularly political dissent? And how are journalists treated?

Mr. Felix Horne: There's no opportunity for free speech, no opportunity for dissent, absolutely nothing. Journalists are imprisoned, unlike anywhere else in Africa. There are many journalists imprisoned. There have been no formal charges, no trials, no one knows where they are, no one knows if they're alive or dead. The situation in Eritrea in terms of free speech is just terrible.

Mr. Gary Schellenberger: You mentioned the judiciary. To what extent is Eritrea's judiciary able to operate independently from the country's executive powers?

Mr. Felix Horne: From what we understand, it has no ability to do that.

Mr. Gary Schellenberger: So in retrospect, there's no court system.

Mr. Felix Horne: A lot of the mechanisms that you would see in other countries, in democracies, for dealing with some of these issues, just don't exist in Eritrea. They may exist on paper but in practice they don't exist.

Mr. Gary Schellenberger: When we hear of all the human rights violations, it's hard to imagine slavery and all that goes along with that practice at this time in the 21st century.

As you have said, there are five religions in Eritrea. Is there a dominant religion?

Mr. Felix Horne: It depends on who you ask, but generally speaking the country is half Muslim, half Christian.

Mr. Gary Schellenberger: Is there any Islamic terrorism in Eritrea?

Mr. Felix Horne: Not that we know of in Eritrea, but according to the UN monitoring group, Eritrea does support al-Shabaab in Somalia.

Mr. Gary Schellenberger: Okay. Do they practise any Sharia law?

Mr. Felix Horne: No.

Mr. Gary Schellenberger: I think those are all the questions I have.

The Chair: All right, Mr. Schellenberger, thank you.

We go then to *monsieur Jacob, s'il vous plaît.*

[Translation]

Mr. Jacob, you have six minutes.

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

I thank our witness for his presence here today.

In your view, could the United Nations Guiding Principles on Human Rights urge mining companies operating in Eritrea to ensure they do not contribute to human rights violations?

Are there particular principles that you think are most important in the Eritrean context?

[English]

Mr. Felix Horne: There are numerous human rights issues in Eritrea with the national service program, but our research focused mainly on the treatment of workers for Segen, looking at the forced nature of the employees. Certainly that is what our recommendations have focused on: ensuring that forced labour does not happen, and ensuring that the conditions for the workers are appropriate and in line with international best practice and with what we'd expect here in Canada.

[Translation]

Mr. Pierre Jacob: Thank you.

As I understand, individuals, communities or interest groups are not in a position to freely voice any concern they may have regarding mining operations in Eritrea.

Do you have any suggestions for ways that mining companies operating in Eritrea could ensure that locally engaged staff and communities are able to make these companies aware of human rights violations, labour, social or environmental concerns?

● (1350)

[English]

Mr. Felix Horne: Certainly, if you're going to do business with a dictator, it's going to be very challenging. What we'd like to see... As I mentioned, Nevsun and other Canadian companies have a lot of leverage. Eritrea is financially desperate right now. They have no capacity to develop these mining sites themselves. As such, the Canadian companies—or companies from wherever—can ensure and demand that there be opportunities for individuals who are working for either Nevsun or for the subcontractors to express their grievances and to be protected, and for those grievances to be dealt with in an appropriate manner. That's not to say that it will be easy to do such a thing, in a repressive environment like Eritrea's. All we can ask is that they try to undertake that process.

[Translation]

Mr. Pierre Jacob: Thank you.

You spoke about voluntary corporate social responsibility standards.

Are they sufficient? What more Canada should do?

[English]

Mr. Felix Horne: We would certainly like to see Canada have the legal right to monitor the operations of a company such as Nevsun or any company that's working in a repressive environment such as Eritrea's, at an absolute minimum.

We'd also like to see Canada have the ability to regulate those companies and their human rights performance to ensure that Canadian companies abroad are falling in line with what we would expect here in Canada.

[Translation]

Mr. Pierre Jacob: Thank you Mr. Horne.

Thank you Mr. Chair.

If I have some time left, I'll give it to Ms. Péclet.

The Chair: Ms. Péclet, have you got questions?

Ms. Ève Pécelet (La Pointe-de-l'Île, NDP): How much time do I have?

The Chair: You have three minutes left.

[English]

Ms. Ève Pécelet: Thank you very much for your appearance today.

We had a representative from Nevsun come to testify in front of the committee—I don't recall when. I was reading in the news that the company is 50% Canadian-owned but that the other 50% belongs to the Government of Eritrea; it's like a kind of partnership with the Government of Eritrea.

Do you think it's ethical for a company that knows this is the second most militarized country and one of the worst countries for respecting human rights to share ownership with a government of that type, sharing the profits fifty-fifty? We all know that the profits are probably not going to the Eritrean people but are going to buy military accessories.

Mr. Felix Horne: That's a difficult question. We don't know a lot about how that sort of business arrangement was arrived at and what sort of leverage Nevsun had prior to going into business with the Government of Eritrea. But certainly, as I mentioned earlier, being in a relationship with a repressive government limits your ability to bring about some positive change.

It's our understanding that 60% of the company is owned by Nevsun Resources.

No, it definitely makes for a challenging situation.

Ms. Ève Pécelet: There are some problems with the identification of workers. We know that military service is obligatory in Eritrea. The company says it verifies the certificates of the workers saying that they are not doing military service.

Do you have any proof of how the company functions and how the military certificates are issued? There are probably some issues about this too.

Mr. Felix Horne: We don't have too many details, unfortunately, about this latest screening process that Nevsun is undertaking. Certainly, if you're not allowed access to the individuals who supposedly have these demobilization certificates to interview them openly, confidentially, etc., there are lots of opportunities for misuse of those certificates and what they're supposed to represent.

Ms. Ève Pécelet: Thank you very much.

[Translation]

The Chair: Thank you, Ms. Pécelet.

[English]

Mr. Horne, I had actually intended at this point to go back to Ms. Grewal, who was asking a question about religious liberty but ran out of time. I gather she had to leave to go to an S.O. 31 in the House.

I have a couple of questions, if I may. The first one is to follow up on what she was saying about the whole question of religious liberty.

We asked questions earlier, when Alex Neve was here, on the subject. I asked him about religious liberty. It was a very odd mixture of religions that were permitted but were not permitted, and I said I

had never seen anything like this. I'm used to seeing some place where we have one permitted religion and that's it. Seeing four... And it's an unusual mixture of four; I was specifically curious as to how the Lutherans got in there.

I've since had the chance to chat with someone who is an Eritrean living in Canada, who suggested that this is all really about trying to keep Pentecostalism from spreading, because it is something that is not a centrally controlled religious movement. I have no idea whether that's correct; I only have that one piece of information passed on to me.

Do you have any thoughts on this?

• (1355)

Mr. Felix Horne: We haven't done any research into the religious intolerance issue. I imagine it also stems from the religions that were in place when Eritrea became a country. But beyond that, I'm not really sure.

The Chair: Okay, thank you. That remains a bit of a mystery and perhaps is not totally germane to the question of mining. I want to ask some other questions, though, if you don't mind.

Do you have any information on the Eritrean government's involvement in the trafficking of persons that you would be able to share with us?

Mr. Felix Horne: We're in the process of doing some research on that issue. It's an issue of huge concern.

Many individuals leaving Eritrea, fleeing across the border, are being picked up in some of the refugee camps on the Sudan side of the border. Some are paying to be trafficked, and others are paying to be transferred, largely to Israel.

Others are being kidnapped and trafficked and sent along the way through different hands until they get to the Sinai peninsula. There are a number of strong allegations of these Eritreans being tortured in the Sinai peninsula and of family members in the West being pressured into providing payments to the smugglers in exchange for the Eritreans' release, at which point they go into Israel.

The Chair: So it's a form of a "kidnapping for cash" arrangement under way.

There is an issue of illegal immigrants, who are described normally in news reports as "Africans", coming into Israel, and there has been, I gather, some kind of recent agreement with the Egyptian government trying to firm up the border and prevent this from occurring.

Are those primarily Eritreans who are coming into Israel across the Sinai, then?

Mr. Felix Horne: As I mentioned, we're doing some research on it, and hopefully in the next few months we'll be able to answer those questions with much more accuracy and precision. But as far as we understand, yes, it is primarily Eritreans who are making it across into Israel.

The Chair: Turning back to the issue of mining, and particularly to the whole concept of corporate social responsibility, Nevsun has indicated that they have a self-auditing process to make sure they meet certain internal standards of behaviour in the treatment of their employees. They have a limited amount of information on their website. I have to assume they have a more complete internal document that we do not possess.

The question I have here is first whether you have any further information on this or have any thoughts as to whether such standards should be made public—and if so, how—both for Nevsun and for other companies that might find themselves operating in Eritrea. Of course, I'm also thinking a little bit more broadly of Canadian-based or -traded companies that find themselves operating in other parts of the world. Eritrea may be a worst case, but it's not a unique situation.

Mr. Felix Horne: We don't have any additional information on their CSR initiatives beyond what they've shared with us or with this committee.

Some of the utterances of Nevsun about the lack of ability they have to engage with the Government of Eritrea and to engage with their subcontractor would set off some alarm bells for me in terms of those CSR numbers. What is their methodology? Are they free to genuinely collect this information, or is it all just a case of trying to get some numbers on a piece of paper to show that they are doing something? I think those would be excellent questions to ask Nevsun.

Voluntary disclosure and voluntary monitoring of processes are the first step. We would like governments, including the Canadian government, to take it one step further and actually do some monitoring themselves, or at least ensure that the methodology being used is sound and that they are genuinely trying to minimize their adverse impacts.

• (1400)

The Chair: I gather there's a set of standards in process right now called the guiding principles on business and human rights. They're being developed. These are the UN Human Rights Council's principles that can assist mining companies operating in places like Eritrea to ensure they don't contribute in some way or other to human rights violations.

Are you familiar with this? Do you think this sort of thing attempts to create standards internationally that could be applied and, I assume, externally audited? Do you think that has merit? And do you have any further comments as to how the maximum benefit could be achieved from that process?

Mr. Felix Horne: Certainly the human rights obligations of corporations in international law are a little bit murky, to say the least, so certainly guiding principles like that set are a step in the right direction. But I guess we do feel ultimately that it is up to states to ensure that corporate entities that are operating within their borders are complying with some of these big-picture, overarching principles. So it's a step in the right direction, but we would hope that Canada could push Nevsun to improve its record in Eritrea.

The Chair: Madame Pécelet has another question.

Ms. Ève Pécelet: I really recommend that you read the testimony of the representative of Nevsun we had in the committee. Actually, I

remember that at the end of the committee, our esteemed colleague asked a question and the representative said that he had never heard of any human rights violations in Eritrea. He has said that nobody has ever complained, and that he has never seen anything on the news where the Government of Eritrea would be responsible, or that such human rights violations are happening on the ground in Eritrea.

Would you have something to say about a statement like this?

Mr. Felix Horne: I find that to be an absolutely incredible statement. Certainly Eritrea doesn't exactly dominate the headlines, because it's a small country and because there is no independent media, as we talked about. But it is not hard to find out about the human rights situation in Eritrea, and if you're going to be making a major, major investment in a country, I think you would do a bit of background research. It's not hidden, as I said.

We've done reports that outlined some of these issues in the past. Amnesty International has done them, many organizations have done them. There's a plethora of Eritrean diaspora websites that outline some of these concerns. It's not a secret, it's not hidden. You don't have to dig very deep if you want to know.

The Chair: This will be my last question.

Vis-à-vis the kinds of standards or principles that potentially could be put in place—and as I say this I'm cognizant of the fact that Canada is a disproportionate player internationally in the mining scene—my impression is that the power of a corporation that is thinking of going into a country like Eritrea, which is cash-poor—the corporation is cash-rich—is maximized in the period before the investment is made. Once you've made your investment, once you've sunk many millions of dollars into the mining site, the power shifts in favour of the government, and therefore it's harder to impose on a company that already has an existing mine, versus one that does not yet have an existing mine.

For example, I could see how independent auditing would be much easier to establish with someone who hasn't yet gone in, as a condition. For one thing, the potential beneficiaries of some form of forced labour—domestic beneficiaries in the regime—will see no profit if the mine doesn't go forward, or if it goes forward with a less competent firm from another country. But once the mine is in place, their incentives have changed as well.

I throw that out as a comment, but I'm also of course inviting your thoughts on that. I think that would dictate, if we have such standards, how they are designed to some degree, just recognizing the practicalities of the way the world works.

Mr. Felix Horne: Yes. I agree completely, which again is why companies need to develop these processes before they go in, because, as you say, they do have a lot of leverage. They are cash-rich. But once the mine is operational, it's much, much more difficult.

The position that Nevsun is in now is a difficult one, because a lot of that leverage is gone. But they do still have some leverage. Again, we are hoping that this report, this research, this discussion can kind of serve as a red flag for other companies that are doing business, to use that leverage that they have before they begin operating so that we don't have to have these types of hearings and discussions about Canadian companies operating in repressive environments that have ignored human rights risks until it's too late.

• (1405)

The Chair: Thank you very much for your testimony today, Mr. Horne. We're very appreciative of your being here.

I wonder if you'd be willing to leave behind copies of the reports you brought in. We can't distribute them until they are in both languages, but we'll try to ensure they are made available to committee members. We would very much appreciate that.

Mr. Felix Horne: I can definitely do that.

Thank you very much.

The Chair: Thank you.

Colleagues, thank you.

We are at the end of our time, so the meeting is adjourned.

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