Harper government using “humanitarian” aid to boost Canada’s global mining companies

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At the behest of Canada’s Conservative government, the Canadian International Development Agency (CIDA) is working with Canada’s mining companies to silence widespread opposition from people working at, or living near, many of their Latin American and African operations.

The people affected by these projects accuse major Canadian mining corporations of depleting their rivers and contaminating their water; causing health problems (skin disease, cancer, respiratory problems); offering miserable working conditions; and paying miniscule royalty amounts to local governments despite huge profits. This opposition threatens investors’ returns as sometimes it compels Canadian miners to delay or cancel projects. Frequently, it is violently repressed by police or company-hired goons.

In South Africa, two striking miners died last fall during violent clashes near a processing plant owned by Toronto-based Forbes & Manhattan Coal. The strike was part of a broad **er** miner protest that erupted following the massacre of dozens of workers at the Marikana mine who had rebelled against low wages and poor working conditions.

In a speech before the blue-chip Economic Club of Canada late last year, Canada’s Minister of International Cooperation, Julian Fantino, championed a new CIDA initiative that “partners” Canadian mining companies with aid NGOs as part of a broader push to have CIDA do more to “help business ventures abroad **.”** Hailing the capitalist profit system, Fantino said that CIDA views private-sector growth as the key to development and prosperity. Under a new “Economic Growth Strategy,” it is using aid monies to help “developing countries create the right conditions to make capital available for companies.”

“CIDA,” continued Minister Fantino, “can help develop” poorer countries’ “capacity to negotiate…[and] implement international commercial agreements with Canada and other trading partners, and help firms benefit from these agreements. We will be doing more of this in the future.”

When Fantino speaks of creating the “right conditions” or “build[ing] the necessary legislative and regulatory frameworks **”** for Canadian corporate investment, he is saying that CIDA will focus on promoting privatization and deregulation, and on dissuading foreign governments from increasing state ownership, especially in those areas of greatest interest to Canadian capital—mining, energy, and finance.

In his Economic Club of Canada speech, Fantino also announced that CIDA will urge the NGOs it funds to enter into partnerships with Canadian companies abroad.

“While we have a long history of working with the private sector as executing agencies, the fact is we need to engage more,” affirmed Fantino. He added that the partnerships that already exist between CIDA-funded NGOs and Canadian mining companies should be “models” for future development projects.

Canada occupies an important place in the international mining industry. It is one of the leading producers of several minerals, such as potassium **,** iron ore, nickel, copper, uranium, gold, diamonds and coal. It is also a key player in the global mining industry, serving as the home base for many global exploration companies and many mining giants, including Barrick Gold, the world’s largest gold producer. Canadian mining companies are the largest non-African investor in that continent’s mining industry and Canadian miners have even larger investments in Latin America. Canada is also a key player in the financing of the global mining industry, particularly in the raising of venture capital for exploration and development.

From 2006 to 2011, Canadian mining companies’ overseas investments almost doubled, from $23.8 to $45.3 billion, and now account for almost a fifth (18.8 percent) of all Canadian foreign direct investment.

These investments have brought huge profits to the Canadian bourgeoisie. Goldcorp, a major Canadian gold mining company **,** reported a profit of $498 million for the third quarter of 2012. Barrick Gold reported a profit of $618 million for the same quarter, despite a 55 percent decline in earnings **.** The former CEO of Barrick, Aaron Regent, was paid $9.2 million in 2011. According to a study by the Canadian Centre for Policy Alternatives, 19 of Canada’s

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100 highest-paid CEOs work in the mining sector.

CIDA's open collaboration with Canadian-based mining transnationals has sparked growing opposition. Stephen Brown, a professor in international development at the University of Ottawa, has said that development projects involving mining companies amount to a disguised subsidy to these companies. "This is money that's being used to obtain and maintain the consent of communities for the mining companies to operate," said Brown. "This should be part of [the companies'] bottom-line calculation...it should not come from CIDA's budget."

The Minister's latest announcements of $319 million in cuts over the next three years leaves even less room for CIDA-funded NGOs to avoid Canadian corporate partnerships.

Responding to strong reactions to his speech outlining the changes to CIDA, Fantino retorted, "We're not talking about pillaging and extorting." Really?

According to the Mining Conflicts in Latin America (MICLA) research group based at McGill University, there are approximately 200 Canadian-owned mines active in Latin America at any one time. Since the late 1990s, the group identified 85 mine sites where a dispute arose between the local population and the mining company.

A typical example is the San Martin gold mine in Honduras, where Goldcorp and Honduran authorities first ignored villagers' complaints about industrial pollution, then sought to suppress and discredit a study that found local residents had medically dangerous levels of lead and arsenic in their blood.

The former Dean of the Faculty of Medical Sciences of the National Autonomous University of Honduras who operates a clinic near the now-abandoned San Martin mine has reported that the proportion of his patients with skin diseases has increased from 10 percent to 70 percent in recent years. "The people," says Dr. Juan Alemendez, "also report hair loss, itching, irritation to the eyes. And that is because they drank and washed with this water contaminated by the mine."

Pierre Gratton, president of the Mining Association of Canada, welcomed Minister Fantino's announcement. Conceding that mining companies have made "mistakes" in the area of "corporate social responsibility," Gratton said that the changes made by the CIDA will enable NGOs to better help companies fulfill their social responsibilities.

A December 17 article in the *Montreal Gazette* sheds light on how Canadian mining giants are using NGOs to deflect popular opposition. Speaking of Barrick Gold's "partnership" with a Chilean NGO, the *Gazette* reports, "Farmers no longer able to cultivate grapes or mangoes in their villages [because the mining operation has led to a dramatic decline in the water table] flock to the city in search of mining jobs, putting pressure on housing resources and creating shantytowns. But now that the NGO has partnered with Barrick [to provide housing], it might make them less critical of the company, and mining in general."

In an earlier initiative aimed at burnishing the public image of Canada's mining companies, the Harper government established an "Office of the Extractive Sector Corporate Social Responsibility Counselor" in 2009. With an annual budget of $650,000, this organization assists Canadian mining companies operating abroad in implementing their "social responsibility" programs and offers a place where people can register complaints about corporate misconduct. Of the three cases opened so far, two related to disputes involving Canadian mining companies in Latin America. Both cases had to be closed because the companies involved refused to cooperate.

Last fall, the Harper government announced the allocation of $25 million from CIDA's budget for the creation of the Canadian Institute for International Extractive Industries and Development. The stated purpose of this institute is to help **"** developing countries by enhancing their capacity to utilize and benefit from their extractive sectors (metals and minerals and oil and gas)." Canada is a second-rank imperialist power, but like its more powerful rivals, the Canadian bourgeoisie ruthlessly pursues its predatory interests on the world arena. The changes in CIDA are part of an increasingly aggressive foreign policy. Under Liberal and Conservative government alike and with the support of the NDP and the pro-Quebec independence Bloc Quebecois, Canada has joined a succession of imperialist wars. In 2011, when the Canadian Armed Forces were involved in wars in both Libya and Afghanistan, Canada's military spending was in real dollar terms the highest it has been since the end of the Second World War.

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