

Bill C-300 threatens Canada's international extractive sector

■ Michael Bourassa, with the assistance of Charles Todd

Comprising five per cent of our total GDP, Canada's extractive industries have led the charge during a decade of unprecedented economic growth in Canada. They continue to remain a fundamental component of our output, even through current challenging economic times. Globally, Canada is a recognized leader in exploration, extraction, research and development, and especially financing. Toronto is the world's leading city for mining finance and Vancouver is home to the world's largest cluster of exploration companies. As of 2008, over three-quarters of the world's exploration and mining companies called Canada home.

It is not surprising, then, that Canadian companies are developing many lucrative mineral, oil and gas deposits around the world and generating much-needed economic growth in scores of developing countries. But these success stories, along with many still waiting to be told in some of the world's poorest regions, are now jeopardized by a Private Member's Bill that has passed second reading in the House of Commons and, as of June 2009, is being considered by the House Standing Committee on Foreign Affairs and International Development.

Bill C-300 (An Act respecting Corporate Accountability for the Activities of Mining, Oil or Gas Corporations in Developing Countries), sponsored by Scarborough MP John McKay, is based on the false premise that Canadian mining activities abroad are inconsistent with international social and environmental best practices and with Canada's commitments to human rights. In reality, however, Canada is recognized internationally as a global leader in corporate social responsibility (CSR) and its companies are preferred investors all over the world. In recent years, the Canadian extractive sector has, in collaboration with host countries and other

stakeholders, raised environmental and community standards and shared best practices in a number of important fields. Unfortunately, the numerous serious issues with the Bill may have the absurd effect of stalling or even reversing that progress.


Chief among the problems raised by the Bill is Canada's capacity, expertise or jurisdiction to enforce CSR guidelines abroad or to supersede local authorities, which is why no other country in the world has legislation like C-300 in place. Trust in Canadian industry by host countries and local communities relies upon mutual respect regarding their respective legal systems and social and environmental standards. The Bill's passage would immediately undermine that trust, severely disadvantaging Canadian companies and creating a strong incentive for them to move jurisdictions.

The Bill also effectively pre-empts the Canadian government's own comprehensive CSR Strategy for the International Extractive Sector. Released in March 2009, the strategy was a response to the Advisory Group Report on the National Roundtables on CSR and the Extractive Industry in Developing Countries. The government's CSR strategy has three key components: i) social responsibility, ii) environmental stewardship, and iii) health and safety. It begins with the premise that the Canadian mining industry has excelled globally in the area of CSR and its existing advantages should be fostered and strengthened. The government's CSR strategy represents the culmination of three years of consultations among experts and stakeholders from a variety of fields. These include foreign policy, the environment, industry, human rights and sustainable development. The authors of Bill C-300, however, failed to

undertake any consultation whatsoever with industry, or domestic or foreign government officials.

The government's CSR strategy recognizes that investments in aid of local education, training, health, safety, security, productive development and infrastructure now routinely feature prominently in Canadian companies' development plans for mines abroad, and it seeks to assist with and expand those initiatives. Conversely, Bill C-300 assumes that the Canadian international extractive industry is harming local communities and seeks to punish it.

In a best case scenario, the adoption of Bill C-300 will create a duplication of many aspects of CSR work already performed more competently through existing organizations. In a worst case scenario, it establishes a punitive approach to social responsibility and risks setting the mining industry back by many years in terms of its environmental sustainability, diplomatic, community and social responsibility achievements to date.

The fact that Bill C-300 was even introduced should be a wake-up call for all of us involved in the extractive industry. Our communities and our elected officials do not know the whole story about resource extraction, so we need to be vigilant in conveying to them the positive aspects of our work and the successes of our industry. 

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