

To all communities affected by Canadian mining operations:

As Canadians, we deeply regret the failure of our Members of Parliament to hold mining companies accountable for their human rights records and environmental practices abroad and to hold our government accountable for the financial and political support it provides to Canadian mining companies. On October 27, 2010, Bill C-300, entitled the *Corporate Accountability of Mining, Oil or Gas in Developing Countries Act*, was narrowly defeated in the House of Commons by a vote of 140-134.

If the bill had passed it would have created a framework of human rights and environmental standards for Canadian extractive companies operating in developing countries. It also would have provided communities around the world with a complaints mechanism. The federal government would have had the responsibility of investigating complaints against Canadian extractive companies. If a company were found to be out of compliance with the standards, the Bill allowed the Canadian government to withdraw funding for that company (from, for example, Export Development Canada) and to withdraw political support for that company (from, for example, the local embassy).

Making Canadian government support conditional on extractive companies meeting human rights and environmental standards would have provided a strong incentive for Canadian companies operating abroad. We are extremely disappointed that our Members of Parliament failed to seize this critical initial opportunity to hold Canadian companies and the federal government accountable for the activities of Canadian extractive companies operating overseas.

We are deeply disappointed that despite the Bill having been tabled by Liberal MP John McKay, other Liberal party members played a pivotal role in leading the defeat of their own member's Bill. In particular, Party leader Michael Ignatieff did not vote on it despite claiming to support its aims. We are also very disappointed that several New Democratic Party and Bloc Québécois MPs did not support this motion as it would have proven to be pivotal on this issue.

We are saddened that the defeat of this critical Bill reinforces the notion that at this point in time Canada is truly undeserving of a seat on the UN Security Council. Canada's historic loss in the bid for a seat on the UN Security Council in October reflected Canada's faltering image on the world stage due in part to its lack of support for critical human rights and environmental norms. Canada failed to support the recent UN resolution on the right to water and sanitation. Canada has also publicly stated that it has no intention of meeting its legally-binding commitments as a signatory to the Kyoto Accord.

Legislation regulating Canadian companies abroad is sorely needed. As of 2008, some 75% of the world's exploration and mining companies have their headquarters in

Canada. Canadian extractive companies are associated with approximately 10,000 projects in over 100 countries. A recent report commissioned by the Prospectors and Developers Association of Canada (PDAC) pointed to Canadian companies as the worst offenders prone to community conflict, 2 environmental contamination, and unethical if not illegal practices. Canadian companies have been implicated in significant environmental damage as well as egregious human rights violations in recent cases in Mexico, Papua New Guinea, and Guatemala, to name a few.

Based on the work of the UN Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and other Business Enterprises (John Ruggie), the Ministry of Economic Affairs of the Netherlands conducted a study into the legal liability of Dutch companies and their subsidiaries operating abroad. The study, which examined the ability of court systems in the Netherlands to hear complaints from foreign nationals, noted that “there are...strong policy reasons for home States to encourage their companies to respect rights abroad.” In a meeting between Ruggie and Global Witness, participants concluded that “home states should play a bigger role in addressing business and human rights concerns in conflicted areas.” This past July, the US passed the *Dodd-Frank Wall Street Reform and Consumer Protection Act* which promotes responsible mining by requiring US companies to report payments to foreign governments and trafficking in conflict materials.

We are deeply disappointed that in opposition to the emerging trend of countries holding their companies accountable at home for violations of international human rights and environmental standards especially when they operate in weak governance zones abroad, Canada has again failed to join other countries in advancing international human rights and environmental norms. We stand in solidarity with all the communities around the world harmed by Canadian mining companies. Despite our Members of Parliament’s failure to seize the opportunity provided by Bill C-300 to create a strong mechanism for enhanced industry and government accountability, we commit to renewing our work at legislative reform. We also commit to redoubling our efforts to mobilize Canadian public opinion in order to rein in abuses by Canada’s extractive industries whether operating at home or abroad.

In solidarity,

Barrio Nuevo
Canada Tibet Committee
Canadian Arab Federation (CAF)
Canadian Catholic Organization for Development and Peace
Canadians Against Mining in El Salvador (CAMES)
Canadian Union of Public Employees
Citizens' Stewardship Coalition (Port Alberni, BC)
Common Frontiers
Council of Canadians

Council of Canadians - Inverness County
Council of Canadians - Northumberland
Council of Canadians - Williams Lake Chapter
EcoAction (Mount Allison University)
Friends of the Nemaiah Valley
Great Lakes United
Greenspiration
Indigenous Peoples' Solidarity Movement (Ottawa)
Living Work
Louis Riel Bolivarian Circle of Toronto
Maritime Aboriginal Peoples Council
Mining Justice minière - Ottawa
Mining Watch Canada
National Union of Public and General Employees
NOWAR-PAIX
Polaris Institute
Radio mi Gente Committee "Muralla 700"
Respecting Aboriginal Values & Environmental Needs (RAVEN)
Saint John Dioceses of the Canadian Catholic Organization for Development and Peace
Salvadorian Canadian Association of Ottawa-Gatineau (ASCORCAN)
Sierra Club BC
Sierra Club Prairie
Soeurs du Sacré-Coeur de Jésus
Sandy Pond Alliance
Surfrider Foundation - Vancouver chapter
Terra Foundation (California)