

## Mining companies need stronger oversight abroad says Liberal MP McKay

CALGARY \_ Liberal MP John McKay is calling for stricter oversight of Canadian mining companies abroad as plaintiffs increasingly look to Canadian courts to seek justice.

He says the government needs to do more because Canadian companies operating internationally continue to face accusations of violating local laws and human rights, despite overall improvements in the industry.

"These unwelcome instances keep on coming up," McKay said in an interview after a New York Times front-page story over the weekend shone a harsh spotlight on a Canadian mining company accused of serious crimes in Guatemala.

"And not only does the mining company suffer brand problems, so also does the industry suffer brand problems, and so also does our nation suffer brand problems .... It has been and continues to be a bit of a black eye on our country."

McKay has long been pushing for the creation of an ombudsman position that could investigate claims against Canadian companies abroad and impose sanctions.

"There still has to be a day of reckoning for a company that commits egregious actions," said McKay.

The former Conservative government did create a mediator position as part of a 2009 corporate social responsibility strategy, but the role came under fire because it was entirely voluntary for companies to participate. The program was later revamped in 2014 as part of the government's updated strategy.

Pierre Gratton, head of the Mining Association of Canada, says the second iteration of the strategy is much improved \_ Ottawa can now take away trade commissioner services and funding from Export Development Canada if companies refuse to participate.

The mining industry has also made numerous reforms since McKay first called for greater oversight, he added.

"A lot has changed in terms of industry practices," said Gratton.

Even so, frustrated plaintiffs are increasingly trying to have their cases heard on the companies' doorsteps here in Canada.

The Times piece told of the efforts of a group of indigenous Guatemalans, represented by the law firm Klippensteins, to sue Toronto-based Hudbay Minerals over alleged shootings and gang rapes at a mining project once owned by the company in the central American country.

In late 2013, the plaintiffs announced that a civil trial would go before a jury in Ontario, though the complex case is still in pre-trial motions.

Hudbay, which didn't own the mining operations when most of the alleged incidents occurred, has said the claims don't have merit and it will vigorously defend itself against them.

But while the company initially fought against having the case heard in Ontario, it backed down in 2014. Company spokesman Scott Brubacher said in an email Monday that the company "is happy for justice to be served through the Ontario courts."

Hudbay is hardly the only company facing shocking allegations abroad.

In 2014, a group of former workers at Nevsun Mining's Eritrean operations filed a civil suit in British Columbia claiming forced labour and other crimes against humanity. The company has said the claims are unfounded and it, too, will vigorously defend itself.

And just last September, the Supreme Court of Canada upheld a decision that opened the way for Ecuadorian villagers to use an Ontario court to enforce a US\$9.5-billion Ecuadorian

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judgment against Chevron Corp. for environmental contamination.

The plaintiffs successfully argued that because Chevron owns about \$15 billion worth of assets in Canada, they could pursue their case in Ontario courts.

Natural Resources Minister Jim Carr, in a telephone interview from New York, said expectations for business behaviour are spelled out in the existing corporate social strategy.

"The government expects companies to obey the rule of law, wherever it does business," he said.

"Canada's approach is to help companies find solutions that work, so we're always open-minded for other ideas. But the government is very clear on the kind of behaviour it expects from Canadian companies doing business overseas. And the mining would be no exception to that."

Asked if Canada needs an ombudsman with investigative power and real teeth, Carr said the government is always open to new ideas "but the main point is that we expect our companies to obey the rule of law, wherever they're doing business."

McKay said Ottawa's current corporate social responsibility counsellor, Jeffrey Davidson, has no active mediations or dialogues going.

He said he hopes to see his government move forward on the file, adding that if the industry has indeed improved so much, they have nothing to fear from stricter oversight.

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