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MP John McKay resigned to 'glorious death' of mining transparency bill

PM agreed to G8 initiative for mandatory reporting regime for extractive sector in mid-2013

By Trinh Theresa Do, [CBC News](#) Posted: Jan 31, 2014 11:35 AM ET Last Updated: Jan 31, 2014 12:32 PM ET



Liberal MP John McKay will finally get his chance to stand in the House of Commons Friday to debate his private member's bill calling for Canadian mining, oil and gas companies to be more financially transparent and disclose payments made to foreign governments.

Under the proposed act, firms would be required to submit annual transparency reports to the federal government or face the risk of fines.

The legislation, also referred to as "the Sunshine Bill," is intended to combat corruption and increase corporate accountability in the extractive sector.

Liberal MP John McKay has been trying to make Canada-based mining corporations more accountable for their actions abroad since 2009. He told CBC News he knows his latest effort will likely be defeated. (CBC)

If this sounds vaguely familiar, it's because it is.

Back in 2009, [McKay tabled a bill to create a responsible mining act](#) (also a private member's bill), which would have given the government authority to investigate complaints against Canadian mining firms operating overseas. It was a response to years of [allegations of human rights abuses](#) in developing countries.



The bill stirred up major controversy, drawing support from international civil rights groups while provoking the ire of the extractive sector.

The bill was ultimately defeated in its third reading.

McKay is trying, once again, to impose regulations on the mining, oil and gas industry with Bill C-474 — an undertaking he knows is doomed to fail.

“It will have a glorious death,” McKay sighed.

Private member's bills don't often get passed, especially when they belong to opposition members in a majority government.

In the House of Commons last May, Conservative MP Bob Dechert spoke out against McKay's bill, saying that it lacked "constitutional validity under Canada's criminal law" and it "does not work" for the extractive industry.

“We’ll do our thing,” McKay said in an interview with CBC News. “I suppose a miracle could occur.”

Mining firms on board with transparency

But enacting a mandatory reporting regime in Canada won't necessarily require divine intervention.

Earlier this month, the [Resource Revenue Transparency Working Group](#) — a coalition of non-profit organizations and extractive industry associations — released a report with recommendations for developing a reporting framework for Canadian firms.

Similar to McKay’s Sunshine Bill, the working group wants companies to publicly disclose payments they make to governments in every country in which they operate.

They do go a step further than McKay and call for disclosures of payments made in Canada, as well.



"A lack of clarity around who benefits from resource extraction breeds mistrust between

communities, governments and companies, generating unstable business environments, threatening the security of supply, and even, in extreme cases, contributing to violent conflict," the report reads.

The working group notes improved revenue transparency could help provide citizens and communities with information to hold their governments accountable, "deter corruption and bribery," assist investors and "help companies secure a social licence to operate."

"The industry has come to the rational conclusion that good [corporate social responsibility] is good for business," McKay said.

More than 100 of the largest Canadian companies listed on U.S. stock exchanges are already required to disclose payments made to foreign governments under American

securities regulation. That's not to mention the mandatory reporting regimes currently being enacted in the EU.

G8 commitment a PR exercise, McKay says

With mounting international pressure, it was only a matter of time before Canada hopped on the bandwagon, especially considering that, as of 2008, more than 75 per cent of the world's mining companies are headquartered here.

At a meeting with oil, gas and mining executives in London last summer, Prime Minister Stephen Harper announced that Canada would adopt a G8 initiative requiring companies to disclose payments made to foreign governments.

In other words, pretty much John McKay's bill.

"It was a public relations exercise," McKay said of Harper's announcement.

Canada is "the big hole in the international fence," he said.

"This whole system only works if all the players join hands and say, 'This kind of behaviour is unacceptable.'"

Consultations with stakeholders underway

The Conservative government has taken steps to develop a disclosure framework.

In an email to CBC News, Natural Resources spokesperson Jacinthe Perras said the government "has begun engaging provincial and territorial counterparts, First Nations and aboriginal groups, industry and civil society organizations."

Information contained in documents tabled in the House on Monday in response to written questions from Liberal MP Judy Sgro reveal specific stakeholders with whom the federal government has already consulted.

It's reached out, so far, to the Ontario and Alberta securities commissions, as well as the chair of the Canadian Securities Administrators.

According to the documents, the government also spoke with 19 oil and gas companies, along with 37 mining companies, which "expressed general support for a mandatory reporting regime."

Among them is Silver Standard Resources Inc., which received complaints in early 2013 from indigenous persons and community members who claimed the company's mining project in Argentina caused nearby rivers to be polluted with toxic runoff. Silver Standard Resources engaged in a mediation process with the complainants, but withdrew before any resolution was reached.

The Conservative government plans to establish a reporting regime by mid-2015, something McKay deems a remote possibility.

Even with co-operation from both the House of Commons and the Senate and all parties, to push a bill along from A to Z "is still a formidable undertaking," he said.

"That takes us into election year."

And right now, McKay still has his private member's bill to attend to.