

October 13, 2005

The Right Honourable Paul Martin  
Prime Minister of Canada  
Office of the Prime Minister  
80 Wellington Street  
Ottawa, ON  
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Dear Prime Minister,

We are writing to support the development of new legal and policy tools that would help ensure Canadian companies adhere to international human rights and environmental obligations when they operate overseas.

Many Canadian companies make important contributions to local economies. However, the human rights and environmental practices of some Canadian companies operating abroad are a growing concern. In recent years, allegations of forced dislocation, assaults and even killings by security forces, contamination of lands, support for repressive regimes, and violation of workers' and indigenous rights, have been associated with the activities of specific Canadian companies.

In addition to the human and environmental impacts of these activities in various countries, reports of these abuses are increasingly harming Canada's reputation abroad. They also create a perverse set of economic incentives, as more ethical companies are placed at a competitive disadvantage to those that would place the bottom line above adherence to internationally recognized legal and ethical norms to which Canada itself is already committed.

Many of these business activities benefit from the Canadian Government's political assistance (e.g. through embassies and trade commissioners) and financial support (e.g. through Export Development Canada's project support and political risk insurance), but the Government has not yet taken effective action to ensure that publicly-supported companies comply with international human rights and environmental standards.

The operations of Canadian companies abroad are not generally subject to the same laws and regulations as their activities on Canadian soil. When local governments refuse to act, the Canadian government lacks the legal tools to hold companies to account for their actions. Canadians expect that companies operating on Canadian soil will protect the environment, adhere to human rights norms, and respect local communities – and we expect the same of our companies when they go abroad.

We believe that government support for Canadian companies operating abroad, including both financial and political assistance, should be conditional on companies meeting clearly defined corporate social responsibility and international human rights standards. Human rights impact assessments are one tool the Government can use to ensure that Canadian companies are meeting these standards.

In addition, there is a need for clear legal norms to ensure Canadian companies and their directors can be held accountable when there is evidence of environmental and/or human rights violations associated with their operations.

A recent report of the Parliamentary Standing Committee on Foreign Affairs and International Trade (SCFAIT), echoes these recommendations. The report highlights gaps in existing Canadian policies, and makes clear recommendations to address problems related to the corporate activities of Canadian mining companies in developing countries. The message in the report is clear: "more must be done to ensure that Canadian companies conduct their activities in a socially and environmentally responsible manner and in conformity with international human rights standards."

In the report's conclusion, the Standing Committee requested "a comprehensive government response". Your Government, Prime Minister, has an historic opportunity to take meaningful action to prevent and address irresponsible behaviour by Canadian companies overseas.

We look forward to your response to this letter, and to the Committee's report.

Sincerely,

Adine Mees  
President and CEO  
Canadian Business for Social Responsibility

Rev. Dr. James H. Sinclair  
General Secretary  
United Church of Canada

Eugene Ellmen  
Executive Director  
Social Investment Organization

Andrew Hutchison  
Primate of the Anglican Church of Canada

The Hon. Gar Knutson  
Former Minister of State (New and Emerging Markets)

The Rev. Dr. Richard W. Fee  
General Secretary, Life and Mission Agency  
The Presbyterian Church in Canada

The Very Reverend Lois Wilson  
Former Senator and Former Moderator of the  
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Hon. Aileen Carroll, Minister of International Cooperation  
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Hon. Jim Peterson, Minister of International Trade  
Hon. John Efford, Minister of Natural Resources