



# MiningWatch Canada

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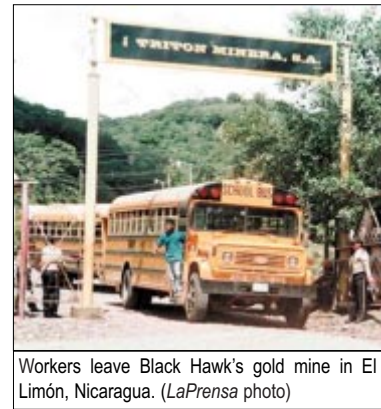
## Mines Alerte

### Newsletter

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#### Contents:

- Taku River Threatened by Renewal of Tulsequah Chief Project
- Interest Strong in Mining Subsidies Report
- Fraser Institute Report on Mining-Friendly Jurisdictions
- National Orphaned/Abandoned Mines Initiative (NOAMI)
- More Protection for Yukon Fish: Placer Authorisation To Be Phased Out
- Yukon Environmental and Socio-economic Assessment Act A Step Backwards
- NRCan's Minerals and Metals Indicators (MMI) Initiative
- Technical Work on Arsenic in Mining
- TVI Under Fire in the Philippines
- Thai Villagers Blockade Asia Pacific Resources
- Canadian Companies Accused of Pillaging Congo – United Nations Report
- Bitter Strike Ends at Black Hawk's El Limón Gold Mine in Nicaragua
- Noranda's Alumysa Aluminum Smelter Threatens Chilean Environment
- Local Citizens and Ancient Forests in Argentina Threatened by Meridian Gold
- Economic Revitalisation of Mining Affected Communities



Workers leave Black Hawk's gold mine in El Limón, Nicaragua. (LaPrensa photo)

### *Taku River Threatened by Renewal of Tulsequah Chief Project*

The Taku watershed, shared between British Columbia and Southeast Alaska and home to the Taku River Tlingit, is again threatened after BC's December reapproval of Redfern Resources' Tulsequah Chief project.

The project is opposed by BC and Alaska First Nations, environmentalists, many local residents, and the Southeast Alaska fishing community. Redfern intends to construct a 150 km road into the roadless Taku to re-open an abandoned mine near where the Taku flows into Alaska. First approved in 1998, the Taku River Tlingit had the approval overturned in BC Supreme Court and the case is now before the Canadian Supreme Court. The project threatens the Taku's healthy wild salmon, the Atlin caribou herd, and other species. The Union

of BC Indian Chiefs called BC's decision "nothing short of a declaration of war on aboriginal people." Redfern still requires approval through the Canadian Environmental Assessment process.

Canada submitted more than 100 outstanding concerns to Redfern in June 2002 and has received no response to date.

The Transboundary Watershed Alliance web site is [www.riverswithoutborders.org](http://www.riverswithoutborders.org).

Contact: David MacKinnon, Canadian Field Coordinator  
Transboundary Watershed Alliance  
302 Hawkins Street, Whitehorse, Yukon Y1A 3T3  
tel. 867-668-5098, fax: 867-668-6637  
e-mail: [david@riverswithoutborders.org](mailto:david@riverswithoutborders.org)

### *Interest Strong in Mining Subsidies Report*

There is strong public interest in *Looking Beneath the Surface*, the in-depth report on mining subsidies prepared by the Pembina Institute and MiningWatch Canada, and released on October 28, 2002.

Over 8000 copies of the report and the executive sum-

maries were downloaded from the web site or distributed in hard copy within two months of the report's release. Environmental groups, communities facing the impacts of mining and unions are telling us that the report is very valuable to them in their work.

### *Annual General Meeting – Ottawa, March 21st, 2003*

The MiningWatch Canada Annual General Meeting will be held in Ottawa on the afternoon of Friday, March 21st, 2003.  
If you are interested in attending, please contact Joan at the MiningWatch Canada office.

Mining industry lobbyists are angry.

An op-ed written by Gordon Peeling of the Mining Association of Canada in the *Ottawa Citizen* (December 7, 2002), justifies subsidies to hard rock mining with data that applies to other kinds of mining (including oil and gas, diamonds, and industrial minerals), and to the mineral industry as a whole (including refining and manufacturing); thereby grossly exaggerating mining's contribution to employment and GDP. Although we made it clear that our study only looked at government expenditures particular to the mining industry and that the Technical Committee on Business Taxation headed by Jack Mintz had analysed effective federal corporate taxation in 1998 (this report found that mining enjoyed the lowest rate of all sectors at 6% – manufacturing was 16%), he accuses us of “ignoring” the general taxes paid by companies. (See Peeling's opinion piece at [http://www.miningwatch.ca/issues/Full\\_Costs/Peeling\\_Citizen.html](http://www.miningwatch.ca/issues/Full_Costs/Peeling_Citizen.html).)

A letter, from an unknown source, is currently being circulated to prospectors and other industry employees throughout the country urging them to send it “when appropriate” to the media. The letter makes the usual inaccurate allegations about “well paid southern environmentalists” trying to take jobs away from northern communities, and repeating inaccurate and exaggerated claims about mining's contribution to regional economic development.

Jim Wilson, Ontario's Minister of Northern Development and Mines wrote on January 17, 2003: “there are questions regarding the accuracy of the data on estimated government expenditures on the metal mining sector and significant limitations to the analyses and scope of the study.” In response, we wrote: “We are surprised at your statements questioning the accuracy of the data upon which the chapter is based, given that the data used in the chapter was drawn entirely from Government of Ontario sources...” (See Wilson's letter at [http://www.miningwatch.ca/issues/Full\\_Costs/Wilson.html](http://www.miningwatch.ca/issues/Full_Costs/Wilson.html))

## *Fraser Institute Report on Mining-Friendly Jurisdictions*

On December 30, 2002, the Fraser Institute, a Canadian right-wing think tank, released a report that rated the attractiveness of different mining jurisdictions to mining companies. The objectives of the report are clear: the Institute says: “We hope that this survey and companion index will encourage policy makers to create fair, stable, and consistent regulatory frameworks in which mining companies, as a proxy for other industries, can operate without experiencing what appears to be institutionalized bias.”

It is clear from the survey that a vote for mining-friendly policy is a vote against fair taxation, against collective bargaining, against environmental protection, against Aboriginal land rights and against protected areas. In January, we undertook a critique of the report. The full critique can be found at [http://www.miningwatch.ca/publications/Fraser\\_Institute\\_critique.html](http://www.miningwatch.ca/publications/Fraser_Institute_critique.html).

- The report is almost entirely based in the subjective opinions of mining companies, in response to a number of questions asking them how they rate each of the named jurisdictions on a variety of factors: taxation, regulation, mineral potential, etc.
- There is also an ‘Objective survey’: “As a complement

and the full text of our response at [http://www.miningwatch.ca/issues/Full\\_Costs/Authors\\_Response.html](http://www.miningwatch.ca/issues/Full_Costs/Authors_Response.html))

Meanwhile, the subsidies to mining exploration keep coming. Here are a few of them since October 29, 2002:

- 50% – roughly \$7.5 million — half from the federal government and half from Quebec — to Globex Mining Enterprises for Phase 1 of a bankable feasibility study for a magnesium-talc mine in the Timmins area.
- \$3.5 million to the Deep Mining Research consortium from the Northern Ontario Heritage Corporation for research into deep mining.
- proposed amendments to the Newfoundland Mining and Mineral Rights Tax Act to exempt taxes on royalties up to \$100,000 a year and a partial tax on royalties up to \$200,000. The amendments would also allow explorationists to deduct exploration expenses from other properties against their royalty income.
- an amendment to the Ontario Mining Act that accelerates the depreciation rate for mining and transportation equipment for tax purposes, retroactive to 1985.
- a cut in the mining tax rate in Ontario from 14% to 12%.
- a grant from the Ontario government of \$2.3 million for four years to the new Ontario Exploration Corporation to administer a prospector fund.
- \$1 million from Manitoba, matching \$1.1 million (some \$800,000 already announced) from the federal government for geological research to help exploration companies find precious metals and rare earth elements in Northern Manitoba.
- \$1.4 million from Manitoba Exploration Assistance Program in exploration assistance to 41 projects.

Despite its privileged position, the mining industry is currently lobbying for a lower general federal tax rate, and John Manley has included this in the February budget, though at the same time eliminating the 25-per-cent “resource allowance.”

to the survey opinions presented in the first section of the report, (an) appendix has been added to include data on factors such as taxation and labour with which to compare the attractiveness to the mining industry of the business climates of the Canadian provinces and territories”.

The “objective” index looked at 24 variables in 5 different categories: taxation, regulation, labour, land access, and infrastructure...

**Taxation:** The first indicator is the total taxes paid over the 13-year lifetime of a hypothetical gold mine. The tax burden includes federal taxes, provincial income and capital taxes, and provincial mining taxes. Those jurisdictions with capital taxes and lower rates of taxation generally are considered less attractive. Another taxation indicator is “a standardized page count on provincial mining tax acts and their supporting regulation... Jurisdictions with lengthier legislation are considered to have more onerous tax systems.”

**Regulation:** “The regulation category includes 10 variables... The first two indicators measure the complexity and costs of environmental regulation in a jurisdiction, first by measuring the percentage of exploration and deposit appraisal

expenditures... spent on environmental compliance, and second, through a page count of the environmental acts and regulations that affect mining, including provincial and territorial parks acts, endangered species legislation, and water and fish protection acts. The next 8 variables apply to regulations and permitting procedures specific to the mining industry. The first is a page count of mining acts and regulations... a higher page count (standardized for page size and bilingual publishing) indicates more onerous policies... We also looked at the way reclamation bond requirements are administered in each jurisdiction. Although there appears to be some variability within jurisdictions, some allow bonding requirements to be met over time, while in others the bond must be posted up front.

**Labour:** “The labour category contains two indicators: the extent of unionization of the general labour force, and... the number of labour disputes that have occurred in the mining sector in the past decade (1992 to 2001).”

## National Orphaned/Abandoned Mines Initiative (NOAMI)

For almost two years now, federal, provincial governments, the mining industry, Canadian Environmental Network representatives and Aboriginal reps have been working to form the National Orphaned/Abandoned Mines Initiative (NOAMI), based on recommendations made in a report commissioned by MiningWatch Canada from Sudbury geologist Bill Mackasey in 2000.

The working group reports to the Mines Ministers annually. Funding for the Initiative is minimal: \$5000 from each government and federal department, some resources from the Mining Association of Canada and the Prospectors and Developers Association, all of which is negotiated annually.

Principles agreed to at a conference of different interest groups in Winnipeg in June 2001, guide the working group:

- The remediation of abandoned mines sites must be based on concern for public health and safety, respect for ecological integrity, and sustainable development;
  - All work currently on-going with respect to inventorying and remediation must continue based on sound science and good communication among all parties;
  - Work toward eliminating future abandonments must continue, including the tightening of regulatory approaches;
  - Implement the “polluter pays” principle;
  - Targeted end-use and reclamation standards must be acceptable to the local communities;
  - Although the objective must be comprehensive reclamation of all sites, the approach must be cost-effective and based on an acceptable method of prioritizing sites;
  - Transparency and disclosure must be present in all decision-making processes;
  - Encompass the notion of “fairness” in all endeavours;
- NOAMI has set up a number of Task Groups to deal with the work identified at the conference:

- **Inventory:** Responsible for the development of capacity for a national inventory of active, closed, and orphaned/abandoned mine sites based on compatible inventories in each province and territory, and including a nationally acceptable categorization and priority-ranking system. This task group is chaired by Gilles

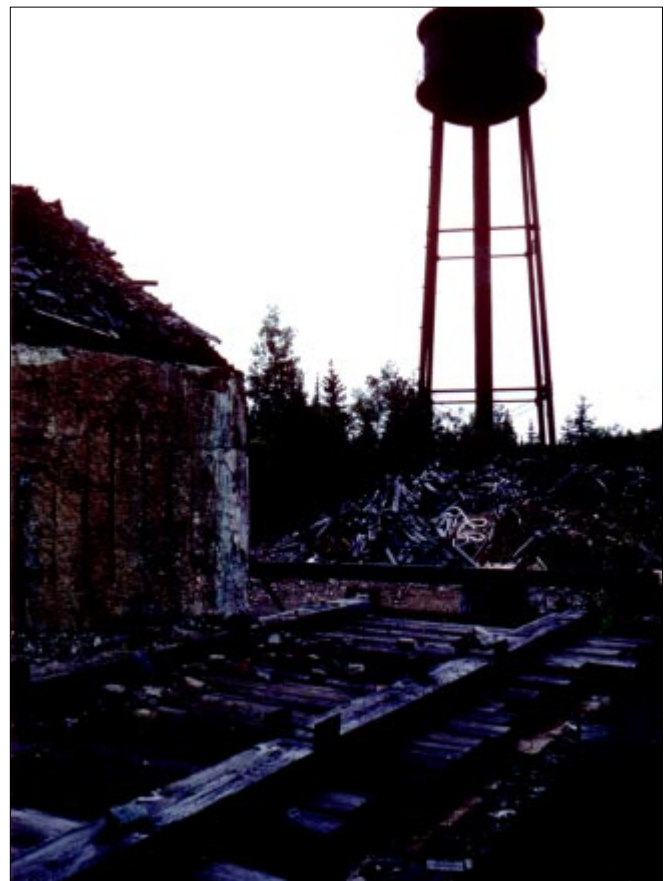
**Land Access:** “Three variables form the land access category First, the index uses data from Indian and Northern Affairs Canada to determine the percentage of land claims that remain unsettled in each province... The second variable is the percentage of the land base in a jurisdiction that is off limits to exploration because it is protected. The final variable, which is used to assess uncertainty concerning new land to be set aside, looks at how much growth there has been in protected areas in the last year.”

**Infrastructure:** “There are five indicators in the infrastructure category this year: railway density, road density, and ports, geo-science availability... the percent of exploration and deposit appraisal expenditures (averaged over five years, 1997 to 2001) spent on land access.”

The Fraser Institute report is available on line at [www.fraserinstitute.ca](http://www.fraserinstitute.ca).

Tremblay at CANMET.

- **Community Involvement:** Responsible for developing a plan to foster community involvement in decision-making about closure and reclamation standards, and to ensure that targeted end-use and reclamation standards are acceptable to local communities. This Task Group is chaired by Joan Kuyek of MiningWatch Canada
- **Legislative Approaches:** Evaluating the efficacy of approaches including: “Good Samaritan legislation”, “permit-blocking”, “non-compliance registries”, and



(Bill Mackasey photo)



“allocative” vs. “joint and several” liability. Chaired by Elizabeth Gardiner of the Mining Association, this Task Group includes Brennain Lloyd of Northwatch. This group will be holding a workshop on February 24-25 in Ottawa.

- Funding Models: Evaluating models and mechanisms to pay for the remediation of orphaned/abandoned sites,

including insurance options and contingency funds. Probably the most contentious of the Task Groups, it is chaired by Patrick Reid of the Ontario Mining Association and includes Kevin O'Reilly of CARC.

NOAMI now has a website where reports from the Task Groups can be viewed, at [www.abandoned-mines.org](http://www.abandoned-mines.org).

## *More Protection for Yukon Fish: Placer Authorisation To Be Phased Out*

The federal Minister of Fisheries and Oceans, Robert Thibault, has announced that the Yukon Placer Authorization will be phased out over the next four years.

There have been serious, long-standing concerns about the impacts of placer mining on freshwater fish and salmon in the Yukon. The Yukon Placer Authorization is a blanket authorization under Section 35 of the Fisheries Act which allows “habitat alteration, disruption or destruction” for the purpose of placer mining.

The Yukon Conservation Society (YCS) was involved with the Yukon Placer Committee for almost 10 years, mostly on a volunteer basis. The Yukon Placer Authorization did not protect Yukon fish and was a cumbersome process for placer miners. These fish are important to First Nations, Yukoners and their neighbours on the transboundary watershed.

Placer mining will now be regulated the same as any other activity in Canada that alters or destroys fish habitat (including hard rock mining, logging or building a dock) - by the Canadian Environmental Assessment Act and the Fisheries Act. This forward-thinking, progressive, and legal decision is one that the Yukon Conservation Society has worked towards since they began as an organization.

The Yukon Party and Yukon's Liberal Member of Parliament Larry Bagnell have responded in a negative way to this decision.

Please take the time to congratulate Minister Thibault for his decision, and express your dismay to Larry Bagnell:

The Honourable Robert G. Thibault  
Minister of Fisheries and Oceans Canada  
House of Commons  
Parliament Buildings, Wellington Street  
Ottawa, Ontario  
K1A 0A6  
Fax (613)990-1866

cc. Gord Zealand, Yukon Area Director, Fax 393-6738

Larry Bagnell, MP  
House of Commons  
Ottawa, Ontario  
K1A 0A6  
Telephone:(613) 995-9368  
Fax:(613) 995-0945  
e-mail:Bagnell.L@parl.gc.ca

## *Yukon Environmental and Socio-economic Assessment Act a Step Backwards*

On December 5, 2002, MiningWatch Canada made a submission to the House of Commons Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources regarding Bill C-2, the long awaited Development Assessment Process for the Yukon, now known as YESA, the Yukon Environmental and Socio-economic Assessment Act.

In an indication of the level of cynicism and arrogance of the Liberal government, the Bill was passed by the Committee with virtually no changes, despite the serious concerns expressed by many intervenors, including Kwanlin Dun First Nation, Kaska First Nation, Yukon Conservation Society, and MiningWatch Canada. Even the relatively innocuous suggestion, that the legislation be reviewed after five years, was rejected.

In a complicated and poor piece of legislation, the most egregious problem from our perspective is the clause of section 79 that allows decision bodies to determine that mitigation measures should be ignored if the decision body is of the view that the mitigative measures are excessive, or if they could undermine the economic viability of a mining project. This section simply reserves to the decision bodies and the Minister the ability to override the recommendations of the Board.

As our brief noted, this is a serious violation of the fundamental principles of environmental assessment and responsi-

ble public policy. Environmental assessment is meant to objectively evaluate the ecological, economic, social, and cultural impacts of a given project, activity, or policy in order to protect the natural environment as well as the health and well-being of human communities.

In any rational discussion of sustainable development, the economic viability of a given project is seen as the outcome of a thorough consideration of all of these factors. Environmental assessment is also a public decision-making process, both transparent and accountable to the public. It is inappropriate for this process to be overruled behind closed doors based on political and economic interests. If, at the end of the day, the decision body can overrule the independent assessment work and allow the project to proceed based on economic considerations with full disregard for the environment and the communities faced with the development, what indeed is the point of going through the assessment process, or even establishing such processes in the first place?

Bill C-2 is not yet in force; it must still go through the Senate before being passed into law.

See our submission to the Standing Committee at: [http://www.miningwatch.ca/publications/YESA\\_submission\\_05-12-2002.html](http://www.miningwatch.ca/publications/YESA_submission_05-12-2002.html).

## *NRCan's Minerals and Metals Indicators (MMI) Workshop*

Since 1999, Natural Resources Canada (NRCan) has been attempting to develop sustainable development indicators (SDIs) for the Canadian minerals and metals sector. In brief, each of the indicators chosen is to represent a measurable and significant component of the minerals sector from a sustainability point of view. All indicators together, when measured regularly, should over time provide information on whether the Canadian minerals and metals sector is progressing towards greater sustainability, or not. Phase one of this effort ran from 1999-2000. It was a multi-stakeholder process at all levels, including NGO participation, from the start, at the steering committee level. Catherine Coumans took part as a representative of the Canadian Environmental Network.

In 2002, NRCan again convened a steering committee to initiate phase two of the project. While phase two was also to be "multi-stakeholder", there was no ENGO representation on the steering committee. The steering committee chose a "model" for the development of SDIs and made a first attempt to "fill in" and adapt the model for Canada's minerals sector. The model used was developed by Robert Prescott-Allen (author of "The Well Being of Nations"). It is methodologi-

cally interesting and philosophically challenging in a number of ways. A significant aspect of this model is that it deviates from the standard concept of three primary sustainable development fields: environmental, social, and economic. In this model economic aspects are subsumed in the environmental and social aspects.

The steering committee eventually invited participation from various stakeholder groups, as an "assurance group," in a meeting in November 2002 to provide the steering committee with feedback and further direction. The CEN chose Catherine Coumans and Alan Young as representatives with the understanding that CEN representation would also be provided a place at the steering committee level. After the meeting in November the steering committee decided not to include CEN representation at that level, and Catherine and Alan withdrew from the planned follow up meeting in Toronto in February 2003.

For more information on this program (organizational structure, participants, documents, etc.) see:

[http://www.nrcan.gc.ca/mms/mmi/mmi\\_e.htm](http://www.nrcan.gc.ca/mms/mmi/mmi_e.htm)

## *Technical Work on Arsenic in Mining*

A technical workshop on arsenic was organized by the Mining Association of Canada and CANMET, in association with the Arsenic Workshop Organization Committee. It was held in Winnipeg on November 7 & 8, 2002. There were about 74 participants from federal and provincial Government, industry, academia, consulting firms, aboriginal societies. Catherine Coumans was one of two CEN representatives. Minutes from the meeting are still forthcoming from CANMET.

Arsenic is a common component in tailings impoundments. The presentations made it clear that there is still a lot that is not yet well understood about arsenic in mining, for example:

- how arsenic is retained and released, i.e. binding processes, and how this affects long term stability.
- microbial transformation of arsenic, chemical mobility and chemical speciation.
- need to develop data on bioavailable forms of arsenic and environmental health and risk factors associated with arsenic, specifically; stability, speciation and bioavailability.
- the long term stability of arsenic in submerged tailings and other reducing conditions

- treatment methods for arsenic trioxide
- need to study aerobic and anaerobic conditions for long term arsenic generation.
- more research is needed in ecological and human risk assessment of arsenic
- need to know more about the fate and behaviour of arsenic during mill processing and waste treatment

An important finding of recent research is that arsenic in reducing environments (underwater in natural or artificial impoundments, such as lakes or tailings ponds) will be more readily mobilized to the water column through the activity of arsenic scavenging mechanisms. Reducing conditions are created where there is a food source for micro-organisms. In mining areas, high concentrations of nutrients such as sodium and potassium resulting from the mining process encourage biological production, creating reducing conditions and increasing the likelihood of arsenic mobilization to the water column. In the case of Balmer Lake, a naturally oligotrophic lake became eutrophic through nutrient loadings as a result of mining, and the lake become more susceptible to arsenic mobilization.

The workshop concluded with agreement that some form of arsenic working group should be established.

## *TVI Under Fire in the Philippines*

On 26 December (2002) a vehicle belonging to TVI Pacific Mining Co. of Calgary, Alberta was ambushed on its way to the TVI camp at their proposed mine site in Canatuan, Siocon, Zamboanga del Norte, Philippines. As a result 13 people including TVI security guards and their friends and relatives were killed and a further 11 wounded. The company and government have identified Muslim rebels as the likely perpetrators. Military units have poured into the area. The Moro

Islamic Liberation Front (the main Muslim rebel group) has however denied any responsibility for the incident.

For the people of Canatuan the attack is only the latest in a long line of tragic events caused directly and indirectly by the presence in their community of TVI.Pacific. The Indigenous Subanon of Canatuan through their organisation, the Siocon Subanon Association Inc., have consistently opposed the mining plans of TVI for the last 9 years. Under Philippine



TVI security personnel confront Subanon blockade, September, 1999.

Law and indeed any code of business decency this sustained opposition from the traditional and recognised ancestral land-holders should have been sufficient to prevent TVI from mining. That it has not reflects badly on TVI and those, including the Canadian government, who persist in their support for this controversial and unwanted intrusion.

The company's speedy declaration that this recent tragic incident would not affect their plans first to operate their cyanide processing plant, and secondly develop a gold mine at the site, reveals the determination of TVI to push through with their plans at any price.

The Subanon have asked for international support in the form of letter writing. This is urgently needed if TVI are to be exposed for their attempts to impose themselves on the Subanon against local wishes and interests. See the letter sent by MiningWatch Canada to the President of the Philippines at [http://www.miningwatch.ca/publications/TVI\\_letter\\_16-01-2003.html](http://www.miningwatch.ca/publications/TVI_letter_16-01-2003.html).

## *Thai Villagers Blockade Asia Pacific Resources*

Thai villagers have been involved in a lengthy struggle to stop the development of what would be Thailand's first large scale underground mine. Villagers have been blocking the site for months, organising numerous demonstrations, and have recently collected 5000 signatures petitioning against the mine. The mining company involved is Canada's Asia Pacific Resources (APR). APR is a small exploration company headquartered in New Brunswick (with offices in Vancouver) whose only asset is the Thai property.

In 2002 the Thai Minerals Act was adapted specifically to allow this mine to go ahead. Under prior legislation in Thailand, APR would have had to seek consent from each of the landowners under whose property APR will mine and would have had to compensate these landowners. Under the new legislation APR need only concern itself with the landowners immediately affected by the above-ground operations of the mine.

The changes to the Minerals Act were constitutionally challenged by Thai senators but the amending bill was upheld. Nonetheless, Thailand's Minister of Natural Resources and

Environment recently ordered a new environmental impact assessment for the mine, as independent experts and citizens groups found the one submitted by APR last year incomplete and failed to include consultation with affected communities. Numerous serious potential environmental impacts from the proposed mine have been identified by independent experts, including widespread subsidence as a result of the relatively shallow mine.

For more information see our web site:

- 1) Backgrounder, September 2002  
[http://www.miningwatch.ca/publications/APR\\_backgrounder\\_09\\_2002.html](http://www.miningwatch.ca/publications/APR_backgrounder_09_2002.html)
- 2) Press release of September 24, 2002 [http://www.miningwatch.ca/publications/APR\\_rls\\_09\\_2002.html](http://www.miningwatch.ca/publications/APR_rls_09_2002.html)
- 3) Press release of December 23, 2002 [http://www.miningwatch.ca/publications/APR\\_rls\\_23\\_12\\_02.html](http://www.miningwatch.ca/publications/APR_rls_23_12_02.html)
- 4) Letter from PER to the IFC asking if it plans to fund this project.  
[http://www.miningwatch.ca/issues/Thailand/PER\\_ltr\\_to\\_IFC.html](http://www.miningwatch.ca/issues/Thailand/PER_ltr_to_IFC.html)

## *Canadian Companies Accused of Pillaging Congo – United Nations Report*

On October 24 last year, the Group of Experts on the Illegal Exploitation of Natural Resources and other Forms of Wealth in the Congo, a UN panel struck to research this issue, submitted its report to the United Nations.

The five-member panel said that the different strategies for the illegal exploitation of resources in the Congo had set up a predatory network of the elite – including the army and government leaders – and lead to “an economy of war” in the region. The consequences of that war, it said were “catastrophic”, leading to “mineral rape”, manipulated ethnic tensions and thousands of dead, and complete impunity for human rights violations.

The panel called on the United Nations to impose financial restrictions on 29 companies and 54 individuals involved in the pillaging. It also named 85 multinational mining firms accusing them of ignoring OECD guidelines on ethics.

Egyptian Mahmoud Kassem, chairman of the Panel, told a news conference: “The role of these companies is really important... Corporations have a direct and indirect role. Without them, this kind of commerce would not be possible.”

Congolese resources include gold, diamonds, cobalt, copper, coltan, and niobium.

Eight Canadian companies were on the list of those that had violated OECD guidelines for Multinational Enterprises. They are: American Mineral Fields, Banro, First Quantum, Hrambee Mining, International Panorama Resources, Kinross Gold, Melkior Resources and Tenke. Most of these have been involved in exploration only. The Panel insists that they have concrete evidence of violations. The companies vehemently deny the charges.

In Canada, the Montréal-based *Table de Concertation sur Les Droits Humains du Congo/Kinshasa* has been leading a



coalition to ensure that Canada deal seriously with these charges. The coalition has made a formal complaint under the OECD guidelines to the Canadian government and has written to the Minister of Foreign Affairs. We also want to see environmental and human rights screens as part of the new Africa Investment Fund.

U.N. Secretary-General Kofi Annan said, "I hope that we

can find some way of dealing with the Congo, either through a direct ban or governments taking responsibility for companies that are registered in their countries to ensure that they did not behave irresponsibly." In Belgium, the government will be conducting a formal inquiry into the allegations about the Belgian companies on the list. Canada should do no less.

## *Bitter Strike Ends at Black Hawk's El Limón Gold Mine in Nicaragua*

On January 14, 2003, Triton Minera S.A., a 95% owned subsidiary of Black Hawk Mining signed a new two-year agreement with the Union "Pedro Roque Blandon" representing the workers at its El Limón Mine in Nicaragua. Workers had been without a contract since October, 2001. The signing of the new agreement brings an end to a series of increasingly confrontational strike actions, including the firing of 206 miners.

The strike began on October 24, 2002; by October 25th, Nicaraguan Ministry of Labour representatives were at the mine site on the company's request. On October 28th the Minister declared the strike illegal. The site was blockaded on several occasions from November, 2002, to January, 2003. On January 4, a major demonstration took place to protest Tri-



Workers at the El Limón mine in a makeshift shelter in front of the company's installations. Union leader Luis Vega is in the centre with the microphone. (La Prensa photo)

ton's refusal to rehire all of the 206 dismissed employees. The Union eventually agreed to Triton's offer to rehire 70% of the former employees. Operations at the mine resumed on January 11, 2003.

The new agreement is effective January 14, 2003, and replaces the old agreement that expired in October 2001. The new agreement leaves the Nicaraguan workers worse off than before, as it provides for a two-year contract with no wage increase in the first year (despite inflation) and an increase in the second year only possible subject to negotiations between Triton and the Union. In addition, the new

agreement allows a 30% reduction in the workforce, with the laid off personnel to be rehired on an as-needed basis and in preference to new hires.

## *Noranda's Alumysa Aluminum Smelter Threatens Chilean Environment*

Peter Hartmann, a Chilean environmentalist and opponent of a planned new aluminum smelter in Patagonia, will be visiting Canada in late February.

"Noranda has tried to seduce us with the promise of jobs and other economic benefits," says Mr. Hartmann, Assistant Director of the National Committee for the Defense of Fauna and Flora, Aisen (CODEFF), "but it is clear from their initial environmental assessment that the overall disadvantages of this project far outweigh its benefits. This project will dam our rivers and damn our livelihoods."

The proposed smelter will produce approximately 440,000 tonnes of aluminum ingots a year. But it will pump more than 1.5 million tonnes of gaseous and solid waste into the atmosphere as a result, and require three hydroelectric plants and six new dams to power the energy draining project. Besides the immediate environmental impact, the Salmon and Trout Producers Association and local fishermen have also voiced their concerns about the plant's impact on the fishing industry. Patagonia is also a popular tourist destination, and Noranda's plans are also putting the future of this industry at stake.

"It would be wrong to categorize this as another 'environmental' struggle," said Alejandro Navarro, President of the Commission on the Environment and Natural Resources, who is accompanying Mr. Hartmann on the trip. "A much broader constituency is opposed to this project."

"Noranda tries to present itself as a good corporate citi-

zen," adds Mel Quevillon, Coordinator of the Canadian Program at MiningWatch Canada. "However, recent actions by the company paint a much bleaker profile. Increasingly, the company is ignoring the interests of its employees and the people of the communities in which it operates."

In 1997, then-President of Noranda, Courtney Pratt, made a highly influential speech at the Canadian Club, about the active role that businesses needed to take in shaping society, to "do well by doing good". At the time, he encouraged businesses to focus on three areas: employee development and the creation of "family-friendly" workplaces, the environment, and the community. Noranda's actions, however, have done little to promote that vision.

"All the company has left here is pollution and unemployment," said Roch Lanthier, of the Collectif de Lutte aux Organochlores (CLO) in Danville, Québec. "Clearly, Noranda is back to putting profits ahead of people." Five weeks ago, Noranda announced the closure of its two-year-old magnesium plant in Danville with the loss of 380 jobs, blaming low-cost magnesium exports from China. The plant, which spews out 30 to 50 times more dioxins and furans than had been projected by Noranda, has also been operating against the recommendations of Québec's Public Office of Environmental Hearings (BAPE).

Meanwhile, in Rouyn-Noranda, 510 unionized production and maintenance workers at the Horne smelter have been on strike since June 2002 over the terms of their collective agree-

ment. At stake are better wages, job security and environmental conditions. The Horne smelter is emitting 60 tons/year of arsenic into the atmosphere rather than the 25 tons/year promised by Noranda.

“If our Chilean partners are to learn anything from this solidarity tour, it is that be it in Canada or Chile, Noranda can no longer be trusted to follow through on their promises,” said

## *Local Citizens and Ancient Forests in Argentina Threatened by Meridian*

The newest and largest gold mine of the century is in Argentine Patagonia, and Vancouver-based Meridian Gold wants it badly. The local population, however, is largely opposed to the project, and will be taking it to a plebiscite on March 29th.

The open pit mine will be located only 7 kilometres from the beautiful city of Esquel, between the hills and slopes that form an impressive natural amphitheatre set off by the Valdíviana forest in the southern province of Chubut.

Esquel's 31,000 inhabitants say they want to enjoy their region and preserve it for their grandchildren. Travellers, too, are struck by the unusual beauty of the area. Despite this, Meridian Gold is vying to start mining only 7 kilometres upriver. The company plans to dynamite 42,000 tons of rock every day, of which 3,000 tons would be ground to dust and then treated with sodium cyanide dissolved in water. The result: depletion and contamination of the rivers, lagoons and the wonderful springs of Esquel. Tourism in the region, internationally renowned for its pristine nature, would also be irre-

Fraser Reilly-King, Coordinator of the non-governmental organisations' Working Group on Export Development Canada.

The NGO Working Group on the EDC (a working group of the Halifax Initiative), along with MiningWatch Canada and the Steelworkers Humanity Fund, are sponsoring Hartmann and Navarro's tour of Ontario and Québec.

versibly affected.

Taking advantage of privileges granted by the Argentine government, the Canadian-owned Meridian Gold would profit by about one billion dollars in exchange for some dozens of jobs, according to the Argentine National Network of Ecologist Action (RENACE).

Citizens opposed to the extensive damage to the Los Alerces National Park, with its thousand-year-old trees, are calling for a plebiscite and a general meeting of the city council this coming March 29th. They recently marched in the streets of beautiful Esquel on three different occasions. On February 6th, city council passed three bylaws prohibiting the use, transport and disposal of cyanide in the area.

According to the World Rainforest Movement “the worst social and ecological impacts of the past fifteen years can be ascribed to some of [Canada's] biggest enterprises, backed by their most respected private, financial and governmental institutions.” See [www.wrm.org.uy/publications/mining.html](http://www.wrm.org.uy/publications/mining.html) for details.

## *Economic Revitalisation of Mining Affected Communities*

MiningWatch Canada has recently received funding for a research project to examine ways and means to revitalize the economies of mining-dependent communities, and to make policy recommendations based on these findings.

More than 100 communities like Elliot Lake, Sudbury, Timmins, Kirkland Lake, Wawa, Trail, Murdochville and Lynn Lake, have grown up around mines and smelters, and became dependent on the industry for their income. Traditionally, Canada has not developed secondary and tertiary mineral industries in mining communities, and the profits have not stayed in the communities that produced the minerals (and the wealth).

Often, other resource-based economic activity such as farming, fishing and logging were damaged by the pollution from the mine and smelters, and these remote communities became depend on power grids, chain stores and imported goods and services to supply their needs.

Mining is dangerous and destructive work, which carries with it a high incidence of industrial disease and accidents – cancers, white hand, silicosis, accidents – which have never been adequately compensated by Workers Compensation nor dealt with by industry or government and which affects the capacity of these communities.

These communities are now facing serious economic hardship for a number of reasons:

1. The expansion of Canadian mining companies in the

Third World creates over-production of materials making commodity prices volatile, and sets up a race to the bottom in working conditions, environmental regulation and government subsidy.

2. Technological advancement has cut the number of metal mining jobs in Canada to less than 30,000, from a 40-year high in 1974 of 70,000.
3. Ore bodies are almost depleted in most of the major metal mining regions of the country, and most new mines last less than 10 years.
4. There is little or no sustainable economic infrastructure in the regions.

To make matters more difficult, most of these communities are faced with lands and waters that have been polluted by the mines, and are now damaging their health. Many of their residents are unwell or disabled, and the young people – looking for opportunities – leave. Because mining towns are northern and rural, they are invisible to the metropolis that uses the minerals they produce; and because their populations are small, they have little voting power. Efforts to revitalize these local economies are rarely – if ever – successful.

The analysis and resources identified by the project will be useful to other resource-dependent communities as well.