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MiningWatch Canada

Mines Alerte

Newsletter

Number 14: Autumn 2003

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Victory in Tambogrande!

On December 11th it became publicly known that Manhattan Minerals had lost its main concessions under the Peruvian village of Tambogrande – on a technicality. The Peruvian government had been looking for a politically viable way out of a highly charged situation, and its solution was to ignore the environmental assessment process already underway and instead force the company to show that it met certain requirements to keep the concessions.

Manhattan had until December 1st to file information showing that it had \$100 million US in capital and a 10,000-tonne-per-day mill, and despite a last-minute effort to have the deadline extended and an improvised alliance with Wheaton River Minerals (revealed by the Peruvian Minister of Mines), it failed. The residents of Tambogrande, who have staunchly opposed the project, were greatly relieved. It is also a success for Peru's wobbly democracy, since the community had challenged the company and the Peruvian government to respect their clearly-expressed desires.

MiningWatch Canada had long been pressuring Manhattan to respect the community's wishes, and we congratulate the community on this well-deserved success.



Tambogrande Mayor Francisco Ojeda calms down a crowd of 3,000 Tambograndinos as they (peacefully) protest the government's public hearings on the mine, November 6, 2003. Photo courtesy E.Cabellos/Guarango Cine y Video.

McClellan Lake Appeal to be Heard at Last

After months of waiting, the appeal of the McClellan Lake court case will be heard in Saskatoon on Tuesday, January

13th, 2004, at 9:00 am. The Canadian Nuclear Safety Commission (CNSC) and the company (COGEMA) are appealing Justice Campbell's September 23, 2003 ruling that upheld the contention of the Inter-Church Uranium Committee Educational Co-Operative (ICUCEC) that the tailings dump in the mined-out JEB pit at the McClellan Lake Mine should have been subjected to a federal environmental assessment under the Canadian Environmental Assessment Act (CEAA), invalidating the mine's operating licence. The judge later ruled that the mine could continue to operate regardless.



Tailings are currently being dumped in the mined-out JEB pit at COGEMA's McClellan Lake mine in northern Saskatchewan. R. Tsannie photo.

Justice Campbell's decision can be viewed at <http://www.canlii.org/ca/cas/fc/2002/2002fct994.html>.

Nuclear Safety Commission Allows Flooded Collins Bay Pit to be Opened to Wollaston Lake

On October 24, the Canadian Nuclear Safety Commission (CNSC) announced its decision to renew the operating licence for Cameco Corporation's Rabbit Lake uranium mine in northern Saskatchewan.

As part of this licence, the company will be allowed to breach the dike that separates the mined-out Collins Bay A-Zone pit from Wollaston Lake itself. MiningWatch Canada was among the intervenors who demanded an environmental assessment of this decommissioning plan. In fact, no environmental or public consultation information was brought before

the Commissioners, although this did not seem to bother them.

In a public meeting in the spring, people in the community of Wollaston Lake told the company in no uncertain terms they did not want the dike breached at all. The CNSC determined that breaching the dike is not "decommissioning" but rather part of the "ongoing site rehabilitation" and therefore no EA is required – never mind consultation with the affected Athabasca DenesuLiné First Nations.

See our submission to the CNSC at [http://www.mining-watch.ca/publications/CNSC_\(A-zone\)_25-08-2003.html](http://www.mining-watch.ca/publications/CNSC_(A-zone)_25-08-2003.html).

Global Day of Action Against Inco

On October 7th, 2003, a global Day of Action was held against the nickel mining giant Inco. Communities affected by Inco, human rights activists, students, "Raging Grannies," and non-governmental organizations in seven Canadian cities and various locations in nine countries participated in the Day of Action.

In Canada there were actions in Port Colborne, Sudbury and Toronto, Ontario; Thompson, Manitoba; St. John's, Newfoundland; Halifax, Nova Scotia; and Prince Edward Island. Abroad, activities were held in Indonesia, New Caledonia (Goro), Guatemala, New York, London, England, Australia, Japan and Wales.

Everywhere communities demanded that Inco take responsibility for the environmental and health impacts of its mining

operations, and deal fairly with indigenous peoples and local communities.

MiningWatch Canada contributed to the general planning for the Day of Action and worked with our Kanak partners in New Caledonia. So far, 29 clips of media coverage have been recorded globally for the Day of Action. It is significant that when Inco top man Scott Hand was confronted with protestors in New York City, he countered their message by telling the media that Inco must be an ethical company because it is included in the ethical funds FTSE4Good and Storebrand.

More information on the day of action and Inco itself can be found on the web sites of Indonesian NGO JATAM at www.jatam.org/english/case/inco and Environmental Defence Canada at www.incowatch.ca.

DFAIT-Sponsored Philippine Delegation has Mining Tour in Canada

The Department of Foreign Affairs and International Trade, Natural Resources Canada, and the World Bank sponsored a multistakeholder delegation from the Philippines to visit three Canadian mines at the end of October.

The mines were the Sullivan Mine (Teck-Cominco) in British Columbia, the closed Island Copper Mine in British Columbia, and the Ekati diamond mine (BHP-Billiton) in the Northwest Territories.

The tour was one of three sponsored by the World Bank to showcase mining practices in other countries. Other Philippine delegations visited Australia, and Peru, co-sponsored by Australian AID and USAID, respectively. These tours were part of a year-long series of meetings and exchanges organized by the Philippine Department of Environment and Natural Resources in order to create and promote a new National Minerals Policy (NMP).

The stated aim of the NMP is to “revitalize” the minerals industry so that it “shall remain as one of the country’s major

Ruling on Private Land in Ontario

By Marilyn Crawford

The Mining and Lands Commissioner Tribunal has made it clear that regulations prioritize the interest of miners over the interest of property owners seeking to exercise their right before staking and prospecting can take place and to have areas exempt from mining claims.

As reported in the last MiningWatch Canada newsletter #13, the Provincial Mining Recorder refused to record a mining claim. The claim was staked in Olden district, about 150 kilometres west of Ottawa. The Application to Record, recorded in the name of Wollasco Minerals Inc., indicated that the property is pasture land with electrical fencing used for cattle. As there was no consent of the surface rights owner and there were crops, the lands were found not to be open to staking according to Section 32 of the Mining Act.

For surface rights owners, it appeared that there was a glimmer of hope that the Mining Act protected the rights and properties of cottage sites, residences and improvements from damage through the carrying on of prospecting or mining operations. It appeared that it would be a requirement to gain consent from property owners to include areas with improvements in a mining claim. All that changed after an appeal to the Mining and Lands Commissioner resulted in a decision which was handed down on Oct. 24, 2003.

The Commissioner agreed with the decision of the Provincial Recorder that the claim would not be recorded. However, the Commissioner ordered that the claim could be restaked without consent of the land owner and also outlined how to complete the staking so that it would be in substantial compliance with the staking regulations. The Commissioner determined that the multiple lands use of residence, farming and prospecting was compatible. It was considered unlikely that pasture land would be substantially damaged by staking and

Demonstration Outside Noranda Headquarters

On November 6, 2003, Greenpeace International released its report “Noranda: from Canada to Patagonia, a Life of Crime”.

To mark this event, Greenpeace Canada built a 12 foot by 8 foot dam and put it outside of the Noranda/Brascan offices in Toronto. A four-piece Chilean band played next to the dam and hundreds of leaflets about the proposed Alumysa aluminum smelter in Chile were given to passers-by on Bay

development options to free itself from economic deprivation and to attain a better quality of life for the Filipino people.” In Ottawa, the delegation briefly met with Catherine Coumans of MiningWatch Canada, Clive Tesar of the Canadian Arctic Resources Committee, and Patrick Finlay of Environment Canada.

Catherine’s presentation to the delegation “Mining in Canada: The Bigger Picture” is available as a PDF file at http://www.miningwatch.ca/documents/Brief_for_Philippines.pdf.

prospecting and compensation could be made. Tree cutting could take place and compensation could be made. Exploration work, including geochemical, geophysical and drilling, could be carried out with effort to minimize disruption of farming activities and noise that could be heard at the farm house.

At the hearing, Wollasco Minerals Inc. had argued how any company could proceed where the land owner would be able to prevent development by virtue of its forestry or farming operation. As if to support this argument, this additional order was made:

“In the event that a production decision is made, Wollasco will have the option of purchasing and Price has the obligation to sell the Price farm and all buildings and improvements.”

The system of free entry allows gives unfettered access to lands open for staking. Paying \$25.50 allows a prospector to stake claims for 5 years. There is no training, certification, regulating body or criminal record check required. Paying a fee of as little as 10 cents an acre, gives miners the right to enter, occupy and use private lands for mining purposes. Miners can share the surface of private land, intrude on the privacy and life style of land owners and interfere with their livelihood. They can strip, drill, blast and trench the surface. Mining is considered the best use of land and land owners can be obligated to sell. Compensation is supposed to represent a generous offer to land owners.

These practices are fundamentally wrong and, clearly, the Mining Act is in need of reform.



Demonstrators outside Noranda office, Toronto. M. Quevillon photo.

Street.

MiningWatch Canada joined this festive occasion, as did our Chilean colleagues Peter Hartmann (President of the Citizen’s Committee for the Defense of the Aisén Life Preserve) and Gonzalo Villarino (Executive Director of Greenpeace Chile).

Peter, Gonzalo, and Peter Tabuns (Executive Director of

Greenpeace Canada) went to the Noranda/Brascan office to meet with top executives, but were escorted out of the building. They left a copy of the report with officials at the office. The Greenpeace report can be found at:

<http://www.greenpeace.ca/e/feature/noranda/background.php>

For more information about the Alumysa smelter, contact Mel Quevillon (mel@miningwatch.ca).

Niobium Mine at Oka Closer to Operation Despite Widespread Protest from Local Residents

On November 25, 2003, the Québec Court rejected the appeal of the Union of Agricultural Producers to the Administrative Tribunal of Québec’s decision in favour of Niocan’s proposed niobium mine. This rejection comes as a blow to the residents of Oka who, despite widespread concern around this mine, seem to be hitting bureaucratic obstacles.

This mine will have irreversible impacts on the area, whose economy is built on agricultural production. This niobium mine is associated with radioactivity and will be located in the middle of an established agricultural area. Water will be negatively impacted by contamination and lowering of the water table. Two fish species will likely be wiped out, as the company proposes to use the Rousse Creek as a “mixing” zone (dilution is NOT the solution to pollution!). Traces of uranium are found in the soil.

Despite these concerns being potential triggers for environmental assessment, the federal Department of Fisheries and Oceans has determined that the “case is closed”. The Bureau of Public Audiences on the Environment has concluded that although there is a problem with radioactivity, they would not declare it an issue. The Commission that reviews re-zoning of agricultural lands in Québec also reviewed the decision and

decided in favour of the mine. The mayor of Oka is, unfortunately, in favour of the mine.

The final step before Niocan receives the “green light” is an authorization certificate from Minister of the Environment of Québec.

The Citizens’ Committee of Oka and the Mohawks of Kanesatake (whose traditional territory will be affected by the mine) have been fighting passionately for a full Environmental Assessment to be conducted by the Québec and the Federal governments, and are greatly disappointed to see the governments’ blatant disregard for their wishes.

The mine will be in production for 17 years, and will provide direct employment to 160 people (there are no guarantees of how many people they will hire from the region). There are 155 properties in Oka and St-Joseph-Du-Lac will be impacted by the project threatened by the mine.

To help the residents of Oka get a full environmental assessment, please write to: the Honourable Thomas Mulcair, Minister of the Environment, Government of Québec, fax (418) 643-4143, or contact mel@miningwatch.ca for more information.

Progress on Abandoned Mines

Meeting by candlelight in Halifax because the power had been knocked out by a hurricane, Canada’s Ministers of Mines agreed to support the Action Framework developed by the National Orphaned/Abandoned Mines Initiative (NOAMI).

The National Orphaned/Abandoned Mines Advisory Committee is a co-operative partnership of the Canadian mining industry, federal/provincial/territorial governments, environmental non-government organizations and First Nations. MiningWatch is one of the NGO representatives to the committee. Work of the committee is jointly funded by industry and government organizations.

Over the past year, NOAMI has achieved the following:

- Workshop on legislative barriers to reclamation of abandoned mines;
- Report on models for reclamation funding;
- Development of a structure to permit proper classification of mineral sites.
- Development of a pamphlet to guide community engagement and participation in rehabilitation initiatives;
- Development of the NOAMI web site (www.abandoned-mines.org) to foster information exchange and technology transfer.



Warning signs along Highway 7 in Eastern Ontario around the abandoned Deloro mine site. J. Kneen photo.

doned-mines.org) to foster information exchange and technology transfer.

Status reports and specific recommendations of each Task Group are available on the NOAMI web site.

Some key elements of the Action Framework proposed for 2004 include:

- Development of a policy framework for reclamation standards that addresses legislative/regulatory issues associated with the specific environmental challenges.
- Development of intergovernmental cost sharing arrangements to address remediation at high priority sites. This would represent a significant first step in implementing a broad range of funding mechanisms to

address the issue.

- Complete guidelines for jurisdictional legislative reviews with respect to collaboration, liability and funding to ensure that approaches are consistent, co-ordinated, fair and efficient.
- Establish guidelines for “voluntary” reclamation.
- Complete assessment of inventory standards required for development of pan-Canadian inventorying capability.

Falconbridge Granted Permit to Pollute the Groundhog River

Falconbridge might be feeling fourth time lucky after the Ontario Ministry of the Environment’s recent approval and Ontario’s Environmental Review Tribunal okaying of their Plan (#4) to dump the effluent from a new copper-nickel mine into a sturgeon spawning ground in a pristine stretch of the Groundhog River.

Past efforts had failed to gain approval for Plan #1 to dump the toxic effluent into the coldwater brook trout fishery in Montcalm Creek, or for Plan #2 to add massive doses of EDTA to slip the effluent through toxicity tests, or for Plan #3 to build a ditch from the effluent through a newly designated provincial park which was created in large part to protect the Sturgeon fishery (actually, this was Plan #0, but it had been tossed out once already because of the park designation; that rejection was the original inspiration for Falconbridge’s plan to dump the effluent into a tiny coldwater creek).

The Ministry of the Environment approved Falconbridge’s newest “alternative” of constructing a 15 km pipeline from the mine site to the river in mid-August. Environmental and conservation groups challenged the approval, and hoping to force a hearing before Ontario’s Environmental Review Tribunal to review the controversial decision, but a narrow interpretation of the Ontario’s environmental decision-making framework by the Tribunal meant the MOE decision was upheld, and Falconbridge’s plan survived the challenge.

Falconbridge purchased the Montcalm nickel-copper property from Outokumpu Mines for \$14 million in 2001, and is now in the process of bringing the property into production. Falconbridge is projecting that the Montcalm Project will produce a total of 5 million tonnes over its 7 years of operations, at a rate of 750,000 tonnes of ore annually. According to the plan filed with the Ministry of Northern Development and Mines, Montcalm ore would be milled for the first year at the Strathcona operation in Sudbury, and then at the Kidd Metallurgical Division in Timmins. Nickel concentrate would be processed at the Sudbury smelter throughout the mine’s operating life, contributing 8,000 tonnes annually to Falconbridge’s Sudbury nickel production.

In July 2002, Falconbridge applied to the Ministry of the Environment (MOE) for a permit to construct and operate a mine water treatment system, and to discharge the mine effluent to the Groundhog River via a wetland and Montcalm Creek

(Plan #1). Several months later, Falconbridge withdrew that proposal, and in January 2003 submitted a new application. The significant change in the proposal was the addition of two options for discharging mine effluent, with one option (Plan #3) being to build an 8 kilometre drainage ditch from the mine site to the Groundhog River and the other option (Plan #4) being to build a 15 kilometre buried pipeline to discharge effluent directly into the Groundhog.

Falconbridge has maintained a consistency of purpose throughout review of the several different options for getting their mine effluent to the Groundhog River. All options have the same goal in mind: get the polluted mine water into the Groundhog River, where the large volume of water in the river will “mix” with the mine effluent, hence lowering the measurable levels of contamination (proving that dilution is STILL the solution to pollution). Both the Ministry of Natural Resources and the Ministry of the Environment have acknowledged that the effluent will impact the receiving water in general and the sturgeon population in particular. MoE rationalizes this by placing the sturgeon population in a continental context and longer time frame, arguing that “it could take several years before we begin to see a local decline in the numbers of fish. The decline would be arrested when the project ceases operation assuming current exploitation levels and habitat conditions are maintained.”

And all this is based on the best-case scenario that Falconbridge and their consultants have painted with respect to the acid generation and metal leaching potential of the property. Northwatch’s initial concerns with the project were related to its potential to “go acid” given its close proximity to the notoriously contaminated Kam Kotia mine site, and what Northwatch is concerned has been an inadequate amount of sampling.

While Falconbridge and its consultants agree that the ore will be highly acid generating, they are predicting that the rock surrounding the ore will not be acid generating. This waste rock will be brought to surface in large volumes and any potential for it to “go acid” could have long term environmental impacts.

Acid generation leaches metals and chemicals from the rock, and makes the mine effluent more polluting as well as potentially affecting the pH levels.

Stopping the Rosia Montana Gold Mine

MiningWatch Canada, Alburnus Maior and the Working Group on Export Development Canada held a press conference November 10 in support of demonstrations in cities all over

Europe against Gabriel Resources’ proposed Rosia Montana gold mine.

Since the press conference, Export Development Canada

(EDC) has categorically denied any involvement in the project.

The Orthodox Church leaders in Romania (the *Sfantul Sinod*) have also issued a statement opposing the gold mine. See our press release “Romania’s Latest Gabriel Resource Rebel: The Orthodox Church” for details.

At a Rosia Montana Gold Corporation (RMGC) propaganda seminar in Romania on November 26, the public received some impressive posters picturing a huge pit in the middle of a city in Waihi, New Zealand. They were told that the RCMG mine would be similar. Martha’s pit, which belongs to Newmont, is a model reclamation project, in a highly regulated environment. The RCMG project, on the other hand, is a huge gold mine with four open pits, a 600 hectare tailing facility, and of course acid mine drainage and cyanide. This project means the destruction of an historical village (Rosia Montana) and the forced resettlement of 2000 people, in a country with little capacity to regulate or monitor reclamation.

The Rosia Montana Gold Mine has just filed for environmental permitting and is expected to submit its EIA next month. MiningWatch Canada has asked to be added as a party to the EIA review.

An EU Parliamentary Delegation also visited Rosia Montana on December 7th. They came to see the mining company and the community and hear what they have to say. By all reports, they were impressed by what they saw shocked by what was being proposed. This visit is important, because Romania is anxious to be accepted into the European Union.

You can get up-to-date information on the Rosia Montana campaign against this mine at the web site of the citizens’ group Alburnus Maior at www.rosiamontana.org.



Couple dancing to traditional Motzi music at the June 16 protest at the National Theatre in Bucharest. S. Roth photo.

On July 16, 2003, Alburnus Maior staged a protest in Bucharest to present a statement to Gabriel Resources and its shareholders, complete with traditional music and dancing from the region’s Motzi people. Here is the Statement:

“Once more, Alburnus Maior warns Gabriel Resources’ shareholders and all possible investors, that this project will never take place. And this, besides any other reason, for the simple fact that we will not sell our homes, pastures, forests, churches and cemeteries, and we will not move from Rosia Montana or Corna. Nobody, and no money can force us out. Maybe you consider that we are poor people by Canadian standards, but we are not for sale, and you should understand that there are things and people that money cannot buy.

We know very well our rights, just as we know that the concessions rights obtained by RMGC are not legal, and can be suppressed at any time in a court of law.



Women dressed in their traditional ‘Motzi’ costumes and traditional Alpen horns at the June 16 protest at the National Theatre in Bucharest. S. Roth photo.

Indigenous Rights Still Under Attack from Canadian Mining Company in the Philippines

On October 8-12, MiningWatch Canada National Co-ordinator Joan Kuyek traveled to Canatuan in the Philippines as the guest of the Tebtebba Foundation and the Subanon Siocon Association. The purpose of the visit was to investigate the situation of the Subanon Peoples and to attend the Celebration of Thanksgiving and official award of their Certificate of

Ancestral Domain.

Canatuan is situated in the mountains of Zamboanga Del Norte in Mindanao. It is an area with a long history of rebel activity; in the past few years, both Abu Sayyef and the Moro Islamic Liberation Front (MILF) have been active. There are travel advisories because of “terrorist activity”.

The team that traveled to Canatuan included representatives from the Diocesan Committee on Mining Issues (DCMI), the Tebtebba Foundation, and MineWatch Philippines, representatives of the Siocon Subanon Association (SSAI) who were going home, and a lawyer for Legal Rights and Natural Resources.

In Siocon, on the way, they met with Mayor Cesar Cereno. He said that 95% of the people in Siocon are opposed to the mine owned by TVI Pacific. The population of 48,000 is approximately 25% Muslim and 10% Subanon. Most of the Muslims are fishers who live on the coast.

Siocon is a paradise. Rice fields, bananas and vegetables everywhere in the coastal plain, behind it, primal forest. A fishery that yields many kinds of fish, crab, shrimp and octopus, long gentle beaches facing the setting sun. The mine is directly upstream from this coast. The beach is the delta of the river on which TVI is located. A spill would destroy the local economy.

The Mayor talks to the team about conflicts with the MILF; there have been many ambushes and kidnappings. The MILF has support in the area because they are defending lands and waters that are being taken away and destroyed by extractive industries. Even the primal forest in the hills is now a logging concession. There are currently 88 Special Civilian Armed forces (SCAA) paramilitaries in Canatuan, and 40 army in the area surrounding the mine. The team passed the quarters of the 44th army battalion on our way into town.



In this 1999 file photo, Siocon Subanon people confront an armed SCAA paramilitary in their territory.

There is also the Special Forces Unit of the Philippine National Police.

On May 4, 2003 the MILF attacked Siocon in a show of force. The public market was burned; the army responded and 35 people were killed. This is in addition to an attack on a TVI bus Dec 26, 2002 when 13 people were killed.

TVI's concession is squarely in the middle of the Subanon lands, upstream from Siocon. The SSAI are currently claiming an even larger territory, which includes part of the neighbouring region. The company refuses to recognize their claim. There are three TVI checkpoints on the only road into the village of Canatuan. They are all heavily armed and staffed with paramilitaries.

Although most local governments oppose the mine,

TVI has created organizations through its "Sustainable Development Project" that support the company. TVI has been hiring Subanon from outside the community and now the Subanon community at Canatuan has now been effectively divided into two groups. Even the school that the small scale miners paid for and the Subanon built is scheduled to be moved to the TVI compound. The new midwife works for the company. The provincial governor and the president of the country support the company.

The company has been processing small scale miners tailings, and it is also logging on the mining concession. On July 15, TVI destroyed the miners' ball mills and reduced the price per bag of tailings from 30 pesos to 3.

Western Mining Action Network Conference

Advocates for responsible mining, community leaders, and researchers from Canada and the USA met in Vancouver October 3-5, to learn from each other and discuss strategies in the battle for responsible mining.

Over 130 people participated in workshops on a variety of topics ranging from Investor Strategies to Building Alliances. There were also opportunities to get to know one another: an Indigenous Circle took place each day, and there were region-

al caucus meetings and a number of discussion tables and small groups.

The conference was organized by the Western Mining Action Network. The meeting also elected the 19-member 2004 Steering Committee. Canadian representatives on the Steering Committee are: Amy Crook, Jackie-Hookimaw-Witt, Lorraine Rekmans, Jim Tsannie Sr. and Joan Kuyek.

Senate Passes \$260-Million-a-Year Bonanza for Mining, Oil and Gas

The Ethics Bill may not have passed before Parliament prorogued, but the Senate managed to pass Bill C-48, a \$260 million a year give-away to the mining, oil and gas industries. MiningWatch presented to the Senate Committee on Banking November 5. See our submission at www.miningwatch.ca/documents/Senate_Banking_C48.pdf.

For mining, Bill C-48:

- Reduces the mining industry's corporate tax rate by lowering it to 21% by 2007

- Removes the Resource Allowance
- Introduces a 10% Investment Tax Credit for companies based on their exploration expenses

The Bill is based on a Technical Paper published March 2003. It appears to base the recommendations on 1997 figures that indicate that mining pays only \$850 million in corporate income and capital tax to the federal government and the provinces (24% to the federal government).

The paper completely ignores the long-term negative envi-

ronmental, social and economic impacts of non-renewable resource development. This contradicts recommendations from the Organization for Economic Cooperation and Development, that say society's demand for goods and services will have to be met with a significant reduction in new material inputs. This can be achieved through waste prevention and reduction in the design and delivery of goods, and the recycling and reuse of existing materials stocks, rather than disposing of used materials at one end of the materials cycle and inputting newly extracted ones at the other.

Federal subsidies for the exploration and development of new mines in Canada have historically been justified because of the resulting employment and other economic benefits. However, the economic contribution of the metal mining sector, in particular, is in decline.

In 2002, Miningwatch Canada and the Pembina Institute published a report that assesses the value of public support for the metal mining industry in Canada. Data from public (government and industry) sources was compared and trends were established between 1994-95 and 2000-01. Here are a few of the findings with respect to subsidies, jobs and GDP.

- With regard to subsidies: In 2000-01, Federal tax benefits to the industry amounted to \$319 million dollars. This is up by 5% from 1994-95.
- With regard to jobs: In 2000-01, 29,248 people were employed in the metal mining industry, down 12% from 1994-5. In general Canadian industries increased jobs by

15% during this same period. By 2002, there were less than 23,400 jobs.

- With respect to GDP: The contribution of the metal mining industry to GDP in 2000-01 was 4.5 billion dollars. This is down by 8% from 4.9 billion in 1994-95.

We need a tax system that encourages alternative economic development, industrial adjustment and resource efficiency, not the continuing extraction of non-renewable resources at ever higher social, economic and environmental costs.

See the study by MiningWatch Canada and the Pembina Institute: "*Looking Beneath the Surface: An assessment of the value of public support for the metal mining industry in Canada*". Published October 2002. Available in the "Publications" section of our web site.



According to the local pro-mining newspaper *Correo*, 10,000 people came out to the closing rally of the Tambogrande general strike (Tambogrande's population is 16,000). Photo: E.Cabellos/Guarango Cine y Video.

United Nations Whitewashes Canadian Mining Companies Operating in Democratic Republic of Congo

In October 2000, a UN Panel of Experts released a report on violence in the Congo, in which they called eight Canadian mining companies to account for commercial activities that were contributing to conflict in that war-torn country.

It is estimated that 3-5 million people have died in the Congo in recent years due to the war.

The companies responded indignantly to the charges and were able – through the Canadian government – to influence a second panel on the subject. Although many of the Panel's findings were strong, it sorted companies into categories which absolved seven of the eight Canadian companies. This panel did not re-examine any of the original evidence against these companies, but took companies off the list if they met one of the following five criteria:

- A company could admit its behaviour was "inappropriate" and undertake to change its behaviour within a given period.
- They could agree to be more transparent in their dealings in the Congo, or
- They could show that they were no longer doing business in the Congo, or
- They could persuade the panel that it was not directly funding activities contributing to the conflict, or
- They could fire the corrupt former politicians and government officials they had hired as "consultants".

Based on these flimsy criteria, the Canadian government says it will not look into the companies' conduct further.