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MiningWatch Canada
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Contents:

- **Finally - Funding for Contaminated Sites**
- **Exporting Death: Asbestos and Canada**
- **Risk First, Safety Last**
- **Colombia Dismantles State Mining Company to Destroy Union, Open Way for Transnational Corporations**
- **Glamis Gold Demands $50 Million Compensation for Not Destroying Quechan Nation Lands**
- **International Civil Liberties Monitoring Group Holds Public Forum**
- **World Social Forum Comes to Mumbai**
- **"Overburdened" Women's Health Project: In Search of a Pilot Community**
- **First Nations Meet with Conservation Groups to Protect the Boreal Forest**
- **Mining Companies Try to Duck Liabilities at Old Uranium Mines**
- **Diamonds in Northern Ontario: Fighting for Responsible Mining**
- **Nahanni Park and the Prairie Creek Mine: A Disaster Waiting to Happen**

Finally - Funding for Contaminated Sites

The February 2 Speech from the Throne promised $3.5 billion over ten years for the clean-up of federal contaminated sites, including northern abandoned mines and $500 million this year for the clean-up of "other" sites – those of mixed jurisdiction like Sydney Tar Ponds.

This money is a quadruple winner for the government.

Since the spring of 2003, the estimated costs of remediating properties owned by the federal government has been shown on the Public Accounts as a liability, part of the national debt. Cleaning them up will pay down the debt.

The federal government is facing lawsuits from communities with large toxic sites: villages like Shannon, Québec which has discovered that their water supply is contaminated with TCE (trichloroethylene) from a closed munitions factory at nearby Val Cartier military base. We are aware of First nations that are also investigating lawsuits over abandoned mines. If no resources are allocated to fix these problems, the awards from a successful negligence suit will be much higher.



Bottom of arsenic vault in Giant mine (Yellowknife) showing seepage. K. O'Reilly photo.

The Auditor-General has promised to re-visit the issues of northern abandoned mines and contaminated sites in the next year, to see what progress has been made since her last report in December 2003.

There will be few nay-sayers to this move. Communities with toxic sites leaching away their health will be delighted; polluting industries like mining will be relieved that the federal government is willing to pick up the tab; environmental industries will see opportunities for work; most of us which just be glad that someone is finally going to take care of it. In a poll undertaken by the Green Budget Coalition in 2002, respondents stated that they would rather see toxic sites cleaned-up than have a tax cut.

MiningWatch Canada and the Green Budget Coalition have been

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advocating for a Clean Canada Fund for the past four years. We have always said that the fund should be replenished by a toxic substances tax, monies from polluters who can be identified and the sale or lease of properties that have been remediated. It should be accompanied with tough reclamation bonding on existing and new properties and strict monitoring and enforcement of environmental protection measures.

Exporting death: Asbestos and Canada

In December 2003, the Canadian delegation to the United Nations *Intergovernmental Negotiating Committee for an Internationally Legally Binding Instrument for the Application of the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC)*, resisted the inclusion of chrysotile asbestos in the list of substances. They claimed they had not had time to study it, and forced the organization postpone to postpone a decision for another year.

In the same month, Natural Resources Canada (NRCan) granted $775,000 over three years to the Asbestos Institute, the lobby for the "safe use" of asbestos in countries like India, Japan and Brazil.

NRCan is also behind a federal directive promoting the use of "non-friable" asbestos in federal construction projects.

Here are a few salient facts about asbestos.

1. Asbestos is no longer a major generator of jobs and revenues in Canada. There are less than 950 workers employed in the mines in Québec. These are the only operating asbestos mines in Canada. They continue to function because of subsidies and loan guarantees from the federal and Québec government and the Caisse de dépôts et placements du Québec. The money that has been going into keeping these mines operating would be better spent on remediation of the dangerous tailings in Thetford and on alternative forms of economic development including agriculture in the region.



The Jeffrey Mine in Québec. Photo courtesy John VanRaalte.

2. In Québec, the workers in construction and the automotive brake industry as well as miners are showing the effects of asbestos mining. The recent report of Dr. Louise Deguire for Santé-Publique in Québec shows that while the rate of mesothelioma in the rest of Canada is between one and two cases per million people, in Québec for the years 1982-1996, the rate was 14.9 per million for men and 3.2 per million for women. The rate of mesothelioma for Québec men is one of the highest in the world, exceeded only by some counties in Britain, parts of Australia and the Netherlands. Nowhere in the world is there a higher rate of mesothelioma for women than in Québec. From 1982 to 1996, mesothelioma was diagnosed in 832 Québecers – 655 men and 177 women. In a news report, Dr. Deguire pointed out of the 180 Québecers who die each year in work-related accidents about 60, or one-third, die because exposure to asbestos gave them mesothelioma, lung cancer or asbestosis.



"Safe Use" of Canadian asbestos in Brazil – breaking open the bags. F. Giannasi photo.

3. Although chrysotile may be immobilized in asbestos cement ("non-friable uses" as the federal directive on asbestos puts it) for up to 25 years, the cement will eventually begin to decay, and the asbestos will be released into water, air and people's lungs. Asbestos cement also has to be mined, milled, manufactured, transported, cut and installed. We have heard stories of people in the Third World, whose homes are built of asbestos cement, cutting their own windows and doorways, of workers up to their knees in asbestos powder, of construction workers without protection breaking up asbestos cement roads and pipes.
4. Although a recent study from the Asbestos Institute showed that chrysotile bio-degrades quickly in the

lungs, there is no evidence to indicate that it is the length of time the fibre remains in the lung and not the one-time traumatic event that causes disease. Other studies have shown that some tremolite and/or crocidolite are usually present in chrysotile.

5. The Ban Asbestos movement is very strong internationally, and Canada is deluding itself to keep pursuing this as source of export earnings. Canada's role in supporting science and in discrediting those scientists who oppose asbestos exports is well documented, and is increasingly becoming a scandal in Europe and the developing world. The industry argues that Russia and other countries will grab the markets if Canada does not. This is wrong-headed on three counts: first, the markets themselves are drying up because of world-wide recognition of the dangers of asbestos in all its forms, second, because economic gain should never be an excuse for knowingly poisoning workers and their communities, and third, the accumulating costs of lawsuits from asbestos victims world-wide and the costs of caring for them will begin to outstrip any profits that may be gained from this industry.

MiningWatch is a founding member of the Ban Asbestos Canada network.

Risk First, Safety Last

Environmentalists from across Canada were told about plans by Health Canada to gut health protection for Canadians through a proposed new "Canadian Health Protection Act" at a retreat February 17-19.

Health Canada proposes to consolidate four laws and bring them into compliance with language in Canada's trade agreements like the World Trade Organisation (WTO). These laws are the Hazardous Products Act, the Food and Drugs Act, the Quarantine Act and the Radiation Emitting Devices Act. Laws like the Pest Control Products act would be "integrated into the new framework".

Many metals and mineral products are hazardous and Canada consistently supports their use in Canada and their export to other countries based on 'safe use' criteria. As an example, bans on the import of nickel-cadmium batteries had enormous public support in the 1990s, but were beaten back by the industry lobby led by Canada. The import of chrysotile asbestos products is not allowed in France, but they are considered safe for use here.

The spin surrounding the new proposals by Health Canada is that they will "modernize and strengthen the legislation", but careful analysis indicates that it has serious flaws:

- It downgrades the role of Health Canada as a regulator
- It does not explicitly incorporate international health protection covenants
- It relies on "assessing risks", rather than on the precautionary principle.
- It incorporates language that would allow economic advantage to a company to over-ride concerns about the health effects of a product
- It incorporates the idea of "undue" risk in proposals for a General Safety Standard and declines to legislate clear standards for product safety.
- It makes no new proposals regarding "novel" foods or water protection.

For more information, see *Risk First, Safety Last* on the web site of the Canadian Health Coalition.

Colombia Dismantles State Mining Company to Destroy Union, Open Way for Transnational Corporations

President Alvaro Uribe Vélez moved to liquidate the State Mining Company of Colombia, Minercol Ltda., through Decree 254 of January 28, 2004 – at the same wiping out its employees' union Sintraminercol and clearing the way for the wholesale turnover of the exploration, exploitation and administration of mineral, energy, and public resources to multinational corporations.

The decree is part of a broader policy of privatisation of Colombian natural resources and services, the elimination of trade unions and the violation of rights of expression, of collective bargaining, and of unionization which includes military and paramilitary threats, summary executions, arbitrary detentions, threats and assassinations.

See our web site for details.

Glamis Gold Demands $50 Million Compensation for Not Destroying Quechan Nation Lands

On December 9, 2003, Canadian-owned Glamis Gold filed a Notice of Arbitration under the arbitration rules of the United Nations Commission on International Trade Law and the North American Free Trade Agreement (NAFTA) demanding over $50 million in compensation.

The company is alleging that the government of the United States has breached its obligations under Chapter 11 of the North American Free Trade Agreement, including the following provisions:

(i) Article 1105 - Minimum Standard of Treatment; and

(ii) Article 1110 - Expropriation and Compensation.

The Glamis case dramatically demonstrates the use of trade agreements to undercut efforts by governments to protect the interests of their citizens.

Glamis Gold has been embroiled in a controversy over its Imperial Valley project in southern California for more than ten years. It began acquiring land in 1987, and set up a U.S. subsidiary in order to comply with U.S. law. Eventually it had 187 mining claims and 277 mill sites on almost 650 hectares of land. The proposed mine would be a massive open-pit

cyanide heap-leach project. The ore was of such low grade that the project would require about 422 tons of rock to be mined, processed and stored for each ounce of gold produced.

The claims are located in an area actively used by the Quechan Indian Nation for religious purposes, and is considered sacred by them. The Glamis Imperial Project is located in the California desert within an area designated by Bureau of Lands Management, as the "California Desert Conservation Area." The mine will destroy 55 archaeological sites and many rare desert plants and animals. It will consume 389 million gallons of water annually from the underground aquifer.

In 2001, following a six year review, the Department of the Interior denied a permit to Glamis for the Imperial Mine, based on the pollutant impacts of the mine, and on the cumulative adverse impact on the Quechan people. The decision stated that the proposed mine was within a Native American "spiritual pathway" which ran for at least 130 miles in the California Desert area, and that tribal members believed the proposed mine would "impair the ability to travel, both physically and spiritually" along this "Trail of Dreams."

Later that year, the decision was reversed, without consultation, by the Bush administration.

In April 2003, partly in response to the Imperial Project, California passed Bill SB 22 to limit the impacts of open pit mining and required that the holes made by such mining near sacred sites be filled in with waste rock and tailings ("backfilled") and the landscape be re-contoured. The law applies to all open pit mines in the State.

Glamis Gold sees this law as an "expropriation" of the value of its mining investments and are now suing for the amount of the speculative profits they claim to have lost. They claim that "the fair market value of the property interests owned by Glamis Imperial in the Imperial Project far exceeded the acquisition and development costs, and have a net present value of more than $61 million". There is speculation that the Chapter 11 suit is just leverage by Glamis to get more compensation as California takes steps to buy out the claims.

More information about this issue is available in a backgrounder written by Friends of the Earth and Oxfam America at www.foe.org/camps/intl/greentrade/glamis.pdf

International Civil Liberties Monitoring Group Holds Public Forum

The "War on Terrorism" actually started long before September 2001. A xenophobic and racist backlash against refugees and immigrants has been feeding an open attack on civil liberties as governments all over the world seize the opportunity to shift attention from failed domestic policies.

On February 17, the International Civil Liberties Monitoring Group, a project of the Canadian Council on International Cooperation (CCIC) held a Public Forum in Ottawa. Presenters from the UK, the US, Malaysia, and the Philippines talked about the corrosive effect of "antiterrorism" measures on democracy and political expression and the efforts of a wide variety of advocacy and grassroots groups to protect people's privacy and dignity.

MiningWatch Canada will continue to support efforts to protect our partners' – and our own – ability to travel, organise, and criticise government policy and actions.

For more information, see www.waronterrorismwatch.ca, set up by the Canadian Association of University Teachers.

World Social Forum Comes to Mumbai

"Another World Is Possible" is the motto of the World Social Forum (WSF), whose fourth gathering brought 100,000 people together in Mumbai (Bombay), India in January.

MiningWatch's Jamie Kneen attended, to support the program workshops undertaken by *mines minerals and PEOPLE* and to take part in a meeting of the Editorial Board of the Mines and Communities web site.



Delegates from *mines, mineral & PEOPLE* show off their banner at the World Social Forum in Mumbai. J. Kneen photo.

The workshops and meetings were very useful in connecting struggles in India with others around the world. As mentioned above, Canadian asbestos is marketed in India, and Alcan is among the Canadian companies seeking to take advantage of the Indian government's privatisation schemes and opening natural resources to foreign companies. Three people have already been killed protesting Alcan's Utkal project. Uranium mining is also a problem in India; it is run by state corporations in terrifying conditions.

Founded as a creative response to the annual World Economic Forum held in Davos, Switzerland, the WSF brings together academics, grassroots organizations, and non-governmental organizations to share stories and discuss strategies for resisting corporate globalization and creating sustainable alternatives.

For the first time, the WSF had a counter-conference as Mumbai Resistance 2004 tried to draw attention to the inefficacy of band-aid solutions and the dangers of dialogue and negotiation in unequal power relationships – as often happens between communities and mining companies – and the dishonesty of NGOs who advocate consultation and negotiation where the communities' interests cannot be properly defended.

We will be building on the connections that were made at and around the WSF.

"Overburdened" Women's Health Project: In Search of a Pilot Community

In January, MiningWatch had the privilege of visiting with inspirational people from three mining communities across Canada. Mel Quevillon, Canadian Program Coordinator, visited Labrador West (Labrador City and Wabush) in Labrador and Thompson and Flin Flon in Manitoba to meet with community members and scope out the interest in applying to be a pilot community for a project on women's health called *"Overburdened: Understanding the Impacts of Mineral Extraction on Women's Health in Mining Communities"*.

In each city, Mel met with Union locals and spoke with the Brothers and Sisters who work for the respective companies. She also met with women's groups, health care professionals, and Friendship Centres. She held focus groups to see if women felt that this project could be useful in their cities.

These visits were an opportunity for women to begin sharing their thoughts about their health and the health of their loved ones. The "Overburdened" project needs a pilot community interested in carrying out a participatory research project. This would involve gathering information on any studies that have been done on the community, conducting interviews with women in the community, having groups of women do water and soil sampling in areas of concern in their community, and writing a report on the findings and a community workshop to explore next steps.

MiningWatch solicited proposals from non-profit organizations in each of the three communities and the successful candidate will be announced later this month. The "Overburdened" project is funded with the generosity of a private foundation and the United Steelworkers of America Humanity Fund.

First Nations Meet with Conservation Groups to Protect the Boreal Forest

Members and representatives from seventeen First Nations met with nine conservation groups and others on January 28-29, 2004 in Thunder Bay to talk about how they could work together and care for the northern boreal forest in Ontario and Manitoba.

Ontario and Manitoba's northern boreal forest is globally significant because it is the largest intact forest in North America and because of its cultural importance as the homelands to many of Canada's Aboriginal Peoples.

Co-hosted by the Wildands League, Pikangikum First Nation, and Manitoba Wildlands-Canadian Nature Federation (CNF), the workshop was conducted in English and Ojibwa and was strengthened by the presence of several First Nation Elders. The Deh Cho First Nations of NWT, Taku River Tlingit First Nation of BC and Innu Nation of Labrador presented lessons learned from their respective land use planning experiences on the first day of the workshop. MiningWatch Canada presented on mining issues facing First Nations.

To receive the proceedings from this workshop, please contact:

- Anna Baggio, CPAWS-Wildlands League, tel. (416) 971-9453 ext 47 or cell (416) 453-3285,
- Alex Peters, Pikangikum First Nation, (807) 727-7352, or
- Gaile Whlean Enns, Manitoba Wildlands/CNF at (204) 947-3400.

Mining Companies Try to Duck Liabilities at Old Uranium Mines

Recent months have seen mining companies trying to get out of their obligations at the closed-out uranium mines in Cluff Lake, Saskatchewan and Elliot Lake, Ontario.

In January, Denison Mines Limited (now known as Denison Energy) brought an application to the Canadian Nuclear Safety Commission (CNSC) to change its licences for the former Denison and Stanrock mines in Elliot Lake. It seems that Denison, which was on the verge of bankruptcy when the Elliot Lake mines closed, now needs to protect itself from having to pay any money back to clean up and maintain the sites.

The City of Elliot Lake objected, but since there is an agreement in place between the Ontario and Federal governments to look after the sites, the CNSC considers the liabilities adequately covered. The City also objected to the CNSC hearings taking place according to Denison's timetable, and that the City had inadequate time (only a few days) and inadequate information to respond to the proposal. The City actually wanted to be able to review the company's proposal and all the related financial information, including the shareholder's prospectus, which had not even been published.The CNSC, of course, rejected any notion that it was "unduly influenced by the applicant's business timetable."

Most interesting in this proceeding was the impatient and arrogant attitude of Denison's President and CEO, Peter Farmer, towards the City of Elliot Lake and even the CNSC Commissioners. He was dismissive and contemptuous of any suggestion that the company might have some residual obligation towards the community, having taken billions of dollars out of it over the years. The most important thing from the company's perspective seemed to be to clearly separate any liability at Elliot Lake from its other operations now that the company is once again making a profit and trying to attract investors and partners.

In February Rio Algom applied to the CNSC to have the licences for the former Quirke, Panel and Stanleigh mine sites amalgamated in order to simplify the paperwork. However, the sites have separate performance bonds which will have to be maintained in case of problems – except for the Stanleigh mine, where a contractual arrangement between Rio Algom and Ontario Hydro obligates Ontario Hydro to pay all decommissioning and "care and maintenance" costs for the site.

Interestingly, while CNSC President Linda Keen questioned how Ontario Hydro, which no longer exists, could pay for anything, it seems that the agreement is the responsibility of Natural Resources Canada, who have reviewed it and raised no objections. Again, under the Canada-Ontario cost-sharing agreement, the CNSC considers the liabilities adequately covered.

There are about 170 million tons of radioactive, acid-generating tailings in the Elliot Lake area that will have to be monitored (and in some cases, treated) for several millennia.

Meanwhile, Cogema is planning to decommission the Cluff Lake mine in northern Saskatchewan. This is the first high grade mine to be fully decommissioned. A Comprehensive Study has been initiated under the Canadian Environmental Assessment Act (CEAA), and the Comprehensive Study Report was published in December 2003 for public comment by February 27. MiningWatch Canada submitted comments, and did several other groups. Unfortunately, the report doesn't provide any actual data or justification for its conclusions and recommendations. In fact, the documentation is not even listed. At the same time, the participation and input of the general public and affected First Nations and non-aboriginal communities is not documented. The mine site may well need to be monitored for thousands of years, and it is the neighbouring communities and their descendants who will be left with the ultimate responsibility.

It is up to federal Environment Minister David Anderson whether to accept the Comprehensive Study Report, reject it or send it to a panel review. If he accepts the report, the CNSC will proceed with licencing the decommissioning with hearings in April in Ottawa and June in La Ronge, Saskatchewan.

Diamonds in Northern Ontario: Fighting for Responsible Mining

MiningWatch Canada, along with Nishinawbe Aski Nation (NAN), Northwatch and Mushkegowuk Tribal Council have filed highly critical comments on the plan for an environmental assessment of De Beers' Victor Project at Attawapiskat on James Bay.

The Victor Project is a very significant mining proposal in Canada and requires the careful attention of many sectors of Canadian society. If it goes ahead, the impacts will reach far beyond the mine site and the immediately affected community. Not only is this the first diamond mine in Canada below 60º latitude; it is the first mine in muskeg, and it will require a port for diesel tankers on James Bay. It is the first diamond mine in a northern coastal area.

It is also significant, because its proponent, De Beers, is one of the most powerful companies in the world. Since the company is not publicly listed, it operates under a veil of secrecy not available to other Canadian companies. However, the proponent is not the parent company, but "De Beers Canada Exploration Inc.". There is no indication that liability for the commitments made by the subsidiary will be honoured by the parent in the event of default by the subsidiary.

It is significant because it is taking place on the traditional territories of one of the smallest First Nations in Canada, that has already become dependent upon start-up salaries and grants from De Beers for its income.

This is an environmental justice issue.

To date, there have been a number of problems with public participation in the Environmental Assessment process, which will mean on-going vigilance by all concerned. Read the comments from NAN, Northwatch, Mushkegowuk, and MiningWatch Canada on the scoping of the environmental assessment.

Nahanni Park and the Prairie Creek Mine: A Disaster Waiting to Happen

The Prairie Creek Mine, located just outside the boundary of the Nahanni National Park Reserve and World Heritage Site, is an environmental and financial disaster waiting to happen. The issues are numerous and somewhat complex. They involve the mine's poor location, toxic substances, regulatory oversight, Aboriginal lands, and the expansion of one of Canada's most famous National Parks. MiningWatch Canada and the Canadian Parks and Wilderness Society (CPAWS) have just released a document setting out the history of the mine and the company that owns it, problems at the site and other related issues in a manner that will assist people who care about the situation to act on it. It can be viewed at on our web site.

The mine, which includes complete mining infrastructure built in 1982 but never operated, is located on the flood plain of Prairie Creek, a tributary of the South Nahanni River, upstream from world-renowned Nahanni National Park Reserve, and poses serious threats to the ecosystem and wildlife.

The mine is in the Deh Cho First Nations (DCFN) traditional territory and poses a threat to traditional livelihoods and to future opportunities to develop their land in a sustainable fashion. The DCFN want the lands around the Park, known as the South Nahanni Watershed (SNW), to be protected. They are currently in court challenging the water licence.

The Canadian Zinc Corporation (CZN), owners of the mine, is a company with no history of operating a mine, and is depending on a sustained rise in the price of zinc and silver to make the mine profitable.

There have been environmental assessments on small individual projects and activities at the mine, but there has not been an assessment of the overall impact of this 20 year old site. This despite a history of fuels spills, heavy metals being discharged into Prairie Creek, and the presence of large amounts of toxic substances. Environmental assessments that have been completed have found the likelihood that proposed mining activities would likely cause significant adverse environmental impact, unless subjected to stringent conditions.

Parks Canada has identified mining activity as "the single greatest threat to the ecological integrity" of the South Nahanni River Watershed (SNW) in the Ecological Integrity Statement of September 2001.

The ores that CZN hopes to mine have high levels of mercury, arsenic and antimony. This calls into question the mine's economic viability, as it would be difficult to sell such ore concentrates to smelters, especially given the poor markets for zinc and silver at this time.

Despite the Prairie Creek mine facility being 20 years old, it appears that no reclamation bond has ever been posted by the company. Independent analysis estimates the current costs of cleaning up the mine site are between $3 million and $5 million.

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