

MINING: Canada's Dirty Secret is only a secret to Canadians

In 2003, the UN Special Rapporteur on Toxic Waste and Products made special note of Canadian corporate behavior and lack of accountability. The report also noted that illicit movement and dumping of toxic and dangerous products and wastes by Canadian corporations had adversely impacted human rights. The rapporteur recommended "that particular attention is paid to allegations relating to threats to the traditional lifestyles and rights of indigenous groups" and called on "the Canadian and other Governments to explore ways of establishing extraterritorial jurisdiction over human rights violations, committed by companies operating abroad."

2006 marked the year of the first National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries, a forum that was organized in reaction to a 2005 Report from Canada's Parliamentary Standing Committee on Foreign Affairs. The Standing Committee report admitted that Canada did not have laws ensuring that Canadian companies observe human right standards in other countries. "Public comment" was received from people all over the world who traveled to Canada to tell their stories of abuse at the hands of Canadian mining companies. **Members of the press were explicitly banned from these hearings**, and the Canadian government has yet to commit to any measures to ensure accountability.

In **March 2007**, the United Nations Committee on the Elimination of Racial Discrimination (CERD) issued a formal recommendation to Canada. It called on Canada to better regulate and monitor its mining corporations abroad when they are operating on indigenous lands and to complete a report within the next 12 months on corporate activities.

*for more information on the Canadian Mining, go to:
miningwatch.ca, protestbarrick.net, and minesandcommunities.org*

Canada's other foreign policy

Canada is home to 60%
of the world's mining corporations

"Canada does not yet have laws to ensure that the activities of Canadian mining companies in developing countries conform to human rights standards, including the rights of workers and of indigenous peoples."

- Canada's Standing Committee on Foreign Affairs and International Trade. June 2005

"Canadian mining companies are taking advantage of [inadequate and poorly enforced regulatory controls] to expand into all corners of the globe, manipulating, slandering, abusing, and even killing those who dare to oppose them, displacing Indigenous and non-Indigenous communities alike, supporting repressive governments and taking advantage of weak ones, and contaminating and destroying sensitive ecosystems."

- Jamie Kneen, MiningWatch Canada. November 2006



BEHIND GOLD'S GLITTER

an absurd industry



facts courtesy of the "No Dirty Gold" campaign, a project of Oxfam and Earthworks. nodirtygold.org

Gold Mining produces an average of 79 tonnes of waste for every 1 ounce of gold

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80% of newly mined gold is used for jewelry

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50% of gold is mined on Native Lands

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enough gold is stored in reserves to meet the current gold demand for 20 years

The only thing more astonishing than the 79 ton per ounce ratio is the fact that this waste is largely toxic. A portion of this waste is drenched with cyanide to extract the microscopic flecks of gold from the ore. The toxic waste, or tailings, then sits in tailing ponds to await its reuse. There have been over 30 recorded spills of this toxic substance (in either its transport or storage) in the last five years, resulting in massive fish kills and drinking water contamination. In some countries, they dump this cyanide-laced waste directly into the rivers and oceans – a practice banned in the U.S. and Canada.

And the untreated ground up ore? Well, this is likely toxic as well. Wherever you find gold, you also typically find sulfides, such as pyrite (a.k.a a fool's gold), and heavy metals. These ground up sulfides need only to mix with air and water to create sulfuric acid, which creates acid mine drainage. Not only is this acid water destructive to local plant life and water systems, but this acid also leaches out heavy metals – such as mercury, cadmium, and arsenic, which in turn pollute the air and the water. It has been estimated that metals mining accounts for 96 percent of the world's arsenic emissions.

Spotlight on Barrick Gold

Toronto-based Barrick Gold, the world's largest gold producer, is exploring, building and operating huge, open-pit gold mines on nearly every continent on the planet.

BARRICK'S BOARD OF DIRECTORS INCLUDES:

Brian Mulroney: A former Prime Minister of Canada, Mulroney is well known for promising vast quantities of Canada's energy resources to the United States under the guise of Free Trade.

George Bush Sr. (PAST SENIOR ADVISOR): George Bush was on board when Barrick got a Nevada mine (on Western Shoshone traditional land) containing \$10 billion in gold by paying the US Treasury less than \$10,000. The US Secretary of the Interior Bruce Babbitt called this deal, "the biggest gold heist since the days of Butch Cassidy," and "a form of legalized extortion."

Peter Munk (CHAIRMAN AND FOUNDER): Munk initially got set up in the gold business with funds from Saudi arms dealer Adnan Khashoggi*. He now has his own private island in the Georgian Bay and the University of Toronto Center for International Studies named after him.

Gustavo Cisneros: The media mogul of Venezuela, Cisneros hit the international spotlight for his alleged role in the failed coup to oust Hugo Chavez.

* Khashoggi is well known for being a conduit in the Iran-Contra Scandal, or the deal by which the U.S. used profits from arms sales to Iran to fund the Contras in Nicaragua against the Left-wing Sandinista government.

INTERNATIONAL CAMPAIGNS AGAINST BARRICK

CHILE

From thousands of people marching through the streets of Vallenar to the non-violent road blockades on the road to Pascua Lama, people have mobilized in Chile to oppose the Pascua Lama/Valedero project. The project endangers the natural and cultural balance of these valleys, as well as its water supply, affecting around 70,000 people in Chile and 24,000 in Argentina. Also, Barrick's activities have already been linked to a 56-70 percent depletion in glaciers that provide water for the residents of the Huasco valley.

PAPUA NEW GUINEA

In Papua New Guinea, Barrick dumps toxic mine tailings directly into the river. Meanwhile, the original landowners complain of a lack of compensation and infrastructure development, and a lack of access to Barrick officials. There is also a large scale human rights crisis involving the death and injury of small scale miners near the mine site.

UNITED STATES

Here the Western Shoshone are fighting Barrick's expansion into their sacred lands, with a coordinated community organizing and legal strategy. They fear that the rate at which the Betze mine is dewatering the area – upwards of 264,000 liters per minute – could deplete the water source and affect springs used for healing and prayer rituals. Meanwhile, in New Mexico, communities battle Barrick subsidiary Homestake's legacy of Uranium contamination.

PERU

Peruvians protest Barrick in the Ancash region year after year with a regional 48 hour strike, supported by local politicians. The region is divided by Barrick's activities here and last year, two protesters died in confrontations with the police during the strike. Meanwhile, Barrick has reportedly employed many of these police.

AUSTRALIA

Since the early 1990s, the campaign to stop Barrick's gold mine at Lake Cowal in central western NSW, Australia has focused on the cultural and ecological significance of the area, known as the "Sacred Heartland of the Wiradjuri Nation." Powerful direct actions, community education and legal action carried out by local Aboriginal leaders, indigenous and community activists has tied up and cast grave doubts on Barrick Gold's huge Lake Cowal project.

TANZANIA

Tanzania's Bulyanhulu and North Mara mines were built upon deaths, displacement and human rights abuses. While this happened while these mines were owned by other Canadian Mining Corporations, there have been recent alleged deaths by the hands of Barrick security guards.

ARGENTINA

Argentines are mobilized en masse against the Pascua Lama/Valedero project, as well as Barrick's exploration in Mount Famatina. In March of 2007, neighborhood groups in La Rioja organized and created the political will to kick out the corrupt regional Governor aligned with Barrick Gold, Angel Maza.

PHILIPPINES

In the Spring of 2006, when Barrick Gold took over Placer Dome, Inc. it inherited a law suit initiated by provincial authorities on the Philippine island of Marinduque, where 27 years of irresponsible mining by Placer Dome (1969-1996) had caused immense damage to the island of Marinduque and its people. Rather than settle the case, compensating Marinduquenos for lost livelihood and funding efforts to rehabilitate the damaged eco-systems, Barrick is waging an expensive and lengthy legal battle to avoid responsibility.

*for more information about various campaigns against Barrick, go to protestbarrick.net.
graphic design: Natalie Lowery, Friends of the Earth, Australia*



Water
is worth
more than
gold

“the next world war
will be over water”

- THE WORLD BANK

...in a time of fresh water scarcity, the massive amount of water used for gold mining should be called into question...

Since Barrick's Lake Cowal mine in Australia mine started operations, the water level near it has dropped from 20 meters to 50 meters below ground level. The mine is licensed to use up to 3,650 million liters a year over the next 13 years. Meanwhile, the region surrounding the mining site is enduring its eighth year of drought – it's biggest drought in recorded history.

At its Pascua Lama mine, Barrick's activities have been linked to a 56 to 70 percent decrease in the volume of Toro 1, Toro 2, and Esperanza glaciers, and have destroyed the Concora glacier in Argentina, according to a report by the General Direction of Waters of Chilean Government. Barrick attempted to blame global warming for the melting, but those claims have been disproved.

In addition to the large-scale melting of the glaciers, Barrick is proposing to extract additional water in Chile to run its mine and factories. The estimated requirement is up to 42 liters per second to be taken from the Estrecho and Toro Rivers.

In Nevada, the Shoshone fear that the rate at which the Betze mine is dewatering the area – upwards of 264,000 liters per minute – could deplete the water source and affect springs used for healing and prayer rituals.

The Question of Economic Development:

MINING IN NEOLIBERAL CHILE

At a shareholders' meeting in Toronto on May 9, 1996, **Peter Munk, Chairman of Barrick Gold corporation, praised General Augusto Pinochet for “transforming Chile from a wealth-destroying socialist state to a capital-friendly model that is being copied around the world.”**

In spite of the generous institutional framework put in place by Pinochet's dictatorship, investment was slow to recover, due to shaken investor confidence and the debt crisis of the 1980s. It was not until the 1990s—spurred by rebounding prices and technological transformations – that neoliberal policies resulted in an explosion of mineral investment and production in Chile, halving the price of copper and costing Chile billions.

In 1990 private companies accounted for only 13.9 percent of mining production. By 2000, however, that figure had risen to over 55 per cent; and in copper, foreign control by 2000 was even higher, at 65 percent. As a result private companies were able to instigate massive overproduction, driving down world prices to benefit the parent companies that purchase their exports. To point, Chile alone accounted for 77 per cent of the increase in world copper output during the 1990s. Overproduction, however, led to the collapse of world copper prices: they fell from \$1.40 per pound in 1995 to \$0.71 per pound by 1999, the lowest real levels since the 1930s. It is estimated that price declines between 1996 and 2000 alone cost the Chilean government over \$16 billion in revenues.

Employment myth: In Chile, mineral extraction represents 9 per cent of GDP, but accounts for only 1.3 per cent of employment. Regarding Barrick's Pascua Lama project, the majority of the job exist in the construction phase of the mine, which only lasts 5 years. The environmental degradation however, lasts forever.

The boom years of the 1990s not only failed to generate revenue for the state, but they also failed to create employment and spur wider processes of economic development. In fact, as mineral production tripled during the 1990s, total employment actually fell from 102,000 jobs to 71,000. In response, mining advocates might argue that mineral extraction produces positive synergistic effects in the wider economy. But mining remains largely an “enclave” activity, with only minor multiplier effects. Indeed, one study found mining had one of the weakest multiplier effects (1.8, compared with 4.0 for public administration) in the entire economy, ranking 10th out of 12 industries.

section excerpted from book, “Community Right and Corporate Responsibility.” Chapter by Timothy Clark, PhD

BARRICK IN CANADA

Mining on Native Ground

Despite the fact that Barrick is a Canadian company, it only has two operating projects in Canada: Eskay Creek in northern British Columbia, and the Hemlo Joint Venture on the north shore of Lake Superior in Ontario. It also has a number of closed mines in Canada, such as Renabie, and Golden Patricia. Each of these mines is located on traditional territory of Indigenous peoples, and each case study illustrates the environmental devastation that accompanies gold mining and the evasion of responsibility that is typical of mining companies.

Hemlo Gold Camp (1985-

The Hemlo Gold Camp is located on the north shore of Lake Superior. In 2001, when Barrick Gold bought Homestake mining company, it acquired a joint venture with Teck-Cominco for two mines in the Hemlo Gold Camp – David Bell and Williams.

Workers at the mines have reported numerous cases of lung ailments at these mines, including some cases of silicosis and sarcoidosis. The company has fought worker compensation claims for these ailments ferociously.

The First Nations indigenous community that lives downstream from the mine are the Pic River peoples. In 2000, the community reported having to replace their water treatment plant in order to remove cyanide from their drinking water.

According to Northwatch, an NGO in northern Ontario, who reviewed the company closure plans, at the Hemlo mines, estimated closure costs and associated financial securities posted by the mining companies, are much lower than real costs are likely to be, as the closure plans for the mines do not include appropriate disposal or treatment of massive piles of acid generating/leachate toxic waste rock, nor do they evaluate the risk of groundwater contamination to the area through seeps from the tailings areas and underground workings.

Golden Patricia Mine (1988-1997)

The Golden Patricia Mine in northern Ontario opened in 1988. The mine was on the traditional territory of a number of First Nations indigenous peoples which were organized into the Windigo First Nations Tribal Council. The council signed an agreement in 1988 with the mining company for environmental protection, jobs and other benefits and renewed it three years later.

Barrick bought the mine from Lac Minerals in 1995. Two years later, the ore at Golden Patricia was completely depleted. The Windigo First Nations then discovered that neither Lac Minerals nor Barrick had fulfilled the agreement that they had signed.

A study by Alan Grant, a law professor at York University, in 1997, paints a dismal picture. There was a clause in the agreement that stated that the parties will “leave the land in as good a condition as regards traditional harvesting pursuits upon completion of the Project as it was before the Project began.” Yet the tailings area and waste rock piles are now expected to be toxic in perpetuity. The agreement provided for training and employment, but minimal training was provided. There were no opportunities the indigenous peoples to provide contracted services to the mine and few Windigo members worked at the mine. The council failed to come to any agreement with Barrick about compensation at closure.

The Eskay Creek Mine (1995-2008)

The Eskay Creek Mine is in the headwaters of the Unuk River in British Columbia the traditional territory of the Tahltan First Nation. Barrick purchased the mine in 2001 from Homestake. It opened in 1995 and will have depleted mineable ore by 2008.

This mine has turned two lakes into tailings impoundments and waste rock dumps: Tom MacKay and Albino Lakes. (This is legal in Canada but severely restricted in other countries like the U.S.)

MiningWatch Canada has expressed increasing concerns about the long term monitoring of the lakes that have been turned into tailings impoundment areas, as there are very high concentrations of antimony, arsenic and mercury contained in the ore. Unfortunately there is no publicly available data on this as

there are no right to know laws in Canada that govern the disposal of toxics to waste rock piles and tailings impoundments and all monitoring on effluents is done by the company itself.

Renabie Mine (1947-1991)

The Renabie Mine is on land that straddles the Arctic and Superior watersheds. It is on the traditional territory of the Missanabie Cree First Nation, who are still fighting for legal recognition of their indigenous land rights.

Renabie was the first gold mine to open after the Second World War (gold mines were required to close during the war because miners were diverted to excavate metals that were more important for war-related production). The mine operated until 1991. Once the ore was depleted, the mine shut down.

Even today the surface water flowing from the property contains elevated levels of zinc, cobalt, iron and copper. In 1995, company reports declared that reclamation work had been completed, except for some re-vegetation of the tailings areas. But in 1998 sink holes began to appear on the site, and in 1999 part of the underground mine collapsed, creating a gaping hole through to the underground workings.

Barrick has been trying to get the provincial government to assume responsibility for the mine following the closure and has applied for an “exit ticket” in return for a fee of \$102,290. (The system of “exit tickets” which allow companies to walk away from future liability after paying a fee, was created in Ontario after extensive lobbying by the mining industry in the mid-1990s.)

Lies, Omissions, and ignoring the Indigenous

August 2 marked the publishing date of Barrick Gold's second quarter results. With profits down by 14 percent, the Pascua Lama project delayed, and Norway's pension fund considering pulling their investment on ethical grounds, things didn't look good for this gold mining giant. But Barrick continues to systematically hide vital information from their shareholders and the obliging press through glaring omissions and outright lies.

One glaring omission in the company's reporting is Rodolfo Villar's successful lawsuit against Barrick, reclaiming 20,000 acres critical to Pascua Lama that Barrick had bought for \$19. Barrick is now appealing the case, but has yet to mention this lawsuit in any of their shareholder reports, despite the fact that it carries a potential \$300 million liability. The Canadian press has also largely left the story alone, despite the fact that the *Washington Post* and the *New York Times* have both covered it in detail.

Perhaps this glaring omission is due to the implicit stories behind the "land-rip off" case. One, that of a shady mineral speculator who acquires 20,000 acres of local land rights by registering the land with the mining authority and paying a nominal fee. The other, that of a greedy multinational corporation that uses high paid lawyers and complex contracts to cheat Chileans out of millions worth in land rights (Villar's contract included a stipulation that he would be fined \$95,000 if he tried to obtain rights to any other



Diaguita Woman. photo: Isabel Orellana. The Diaguita, despite the fact that Barrick is planning to mine for gold on their ancestral land and the fact that they have a lawsuit and several formal complaints against Barrick, are not mentioned any of Barrick's Annual Reports and are ignored by the Canadian Press.

parcels in the surrounding area.)

This background sheds new light on another Pascua Lama lawsuit: that of the Diaguita Indigenous group. They have a lawsuit filed in 2001 that lays claim to disputed land needed for the project. Additionally, they have a 2005 complaint filed with the Organization of American States alleging that the Pascua Lama project poses a grave risk to the subsistence rights of the Diaguita communities in the area – the last of the Diaguita in Chile. It insists that the Chilean government would be breaking its international commitments if it approves the project. Despite this litigation, formal complaints, and two letters written by Diaguita leadership to Barrick

LIES cont...

and the President Bachelet of Chile in 2006, the Diaguita are not mentioned once in any of Barrick Annual reports since 2001.

Beyond the omissions – of which there are too many to mention here – there are lies that Barrick continues to peddle to the press and shareholders about their operations. Among the most visible, literally, is the mystery of the depleted glaciers near Pascua Lama. This issue has recently been getting a lot of press in both Chile and Argentina, as a recent study has revealed a 56 to 70 percent depletion in the glaciers near Barrick's exploration activity. While Barrick continuously blames Global Warming, a simple comparison with other glaciers in the same area (but not near Barrick's activities) illustrates that this is not the case.

The real reason for the depletion is the dust kicked up by the construction activity, according to Luís Faura Cortes, a Councilperson from Alto del Carmen. According to Faura, the dust kicked up from Barrick's activities settles on the glaciers, causing them to absorb heat rather than reflect the sun rays, causing them to melt at a faster rate.

Will anyone hold Barrick accountable for these lapses in their own reporting? Will Barrick finally own up to the difficulties that they face and acknowledge resistance to their mining operations? Or will this be another Bre-X case where everyone is merely left with the lesson and reminder of the lax regulatory standards that Canada's mining corporations face.

MORE RESOURCES FOR INFORMATION ABOUT CANADIAN MINING:

Brunswick Theatre: located on Bloor and Brunswick (west of Spadina), the Brunswick Theatre has a good collection of documentary films about mining. Rent one and organize a screening! brunswicktheatre.ca • 296 Brunswick Ave. Toronto

Global Aware Info Shop: Located in Kensington Market, this store carries nice propaganda against mining, as well as books that cover the subject in detail. globalaware.ca • 416-204-1984

MiningWatch Canada: The website clearinghouse for information on Canadian Mining.

ProtestBarrick.net: A network of groups fighting Barrick Gold, as well as a well-organized source of information.

contact: anne.t.barrick@resist.ca for a pdf of the zine. Please distribute!