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A SHORT ADDRESS OF WELCOME  
BY  
MR. J.D. LITTLE, PRESIDENT OF  
BRINCO MINING LIMITED  
TO THE MEMBERS OF  
THE CABINET COMMITTEE ON ECONOMIC DEVELOPMENT  
ON THE OCCASION OF THEIR VISIT TO  
CASSIAR RESOURCES  
FEBRUARY 10 - 11, 1982

GOOD MORNING LADIES AND GENTLEMEN.

IT IS MY PLEASURE TO WELCOME YOU TO CASSIAR, BRITISH COLUMBIA ON BEHALF OF THE MEN AND WOMEN OF CASSIAR RESOURCES, WHICH IS A DIVISION OF BRINCO MINING LIMITED OF VANCOUVER.

AND I AM SURE I WOULD BE REMISS IF I DID NOT ALSO WELCOME YOU ON BEHALF OF THE TOWNSPEOPLE OF CASSIAR WHICH - BESIDE CASSIAR EMPLOYEES - INCLUDES MEMBERS OF PRIVATE INDUSTRY, AS WELL AS GOVERNMENT EMPLOYEES WHO SERVE CASSIAR AND THE SURROUNDING AREA.

THIS TOWNSITE, WHOSE FIRST TENTATIVE ROOTS WERE PUT DOWN BY CASSIAR ASBESTOS IN 1952 - SOME THIRTY YEARS AGO- HAS GROWN TO BECOME THE SAFE HAVEN, AND THE ADMINISTRATIVE CENTRE FOR THE WHOLE CASSIAR - DEASE LAKE REGION AND BEYOND.

DURING THESE YEARS CASSIAR HAS SPENT MILLIONS OF DOLLARS TO BUILD AND MAINTAIN THIS TOWN, AND HAS BROUGHT IT TO ITS PRESENT HIGH LEVEL OF DEVELOPMENT - A FULLY OPERATIONAL BRITISH COLUMBIA COMMUNITY.

CASSIAR RESOURCES IS NOT ALONE IN THIS TYPE OF UNDERTAKING.

THROUGHOUT THE PROVINCE THE MINING INDUSTRY HAS, SINCE THE BEGINNING, BUILT TOWNS, PUT DOWN ROOTS AND HAS CONTRIBUTED IN A MOST SUBSTANTIAL WAY TO THE CREATION OF OUR COUNTRY'S WESTERN CULTURE AND ECONOMIC STRENGTH.

FOR EXAMPLE, IN 1980 - THE MOST RECENT YEAR FOR WHICH AUDITED RETURNS ARE AVAILABLE - MINING EXPENDITURES GENERATED SOME 8% OF THE GROSS PROVINCIAL PRODUCT.

THE MINING INDUSTRY AND ITS EMPLOYEES, IN 1980 PAID SOME \$415 MILLIONS IN VARIOUS TAXES TO CANADIAN GOVERNMENTS - \$163 MILLIONS OF THESE GOING TO THE GOVERNMENT OF BRITISH COLUMBIA.

IN 1980 THE MINING INDUSTRY EMPLOYED ALMOST 18,500 PEOPLE - AND - USING THE MULTIPLIER AFFECT - IT GENERATED AN ADDITIONAL 28,000 JOBS IN BRITISH COLUMBIA, AND 55,000 ADDITIONAL JOBS CANADA-WIDE.

TO COME CLOSER TO HOME, THE SKEENA - STIKINE - CASSIAR REGIONS'S TOTAL REVENUE IN 1980 AMOUNTED TO \$93 MILLION DOLLARS OF WHICH \$74 MILLION WAS THE RESULT OF THE SALE OF CASSIAR RESOURCES ASBESTOS FIBRE.

IN 1980 ACTIVITIES IN THIS REGION ALONE PRODUCED \$34 MILLION IN WAGES.

DURING 1980 SOME \$50 MILLION WERE SPENT IN THIS REGION ON EXPLORATION AND DEVELOPMENT, AND, IN ADDITION, SOME \$138 MILLION IN CAPITAL EXPENDITURES WERE RECORDED.

I KNOW THAT THESE SHORT BURSTS OF STATISTICS ARE NOT ALWAYS ENTERTAINING, BUT I BELIEVE YOU WILL AGREE THAT THE FIGURES THAT I HAVE JUST QUOTED ARE BOTH ENCOURAGING AS WELL AS INFORMATIVE.

SO, BEAR WITH ME A MOMENT LONGER.

DURING 1981 CASSIAR RESOURCES PAID OUT IN SALARIES, WAGE AND FRINGE BENEFITS SOME \$20.8 MILLION DOLLARS. IN ADDITION, WE DISTRIBUTED APPROXIMATELY \$4.5 MILLION IN SO CALLED NORTHERN BENEFITS, MAKING A TOTAL OF MORE THAN \$25 MILLION DOLLARS.

I WON'T EXTEND THIS CATALOGUE OF FIGURES TO INCLUDE PROPERTY TAXES, SALES TAXES, INCOME AND OTHER TAXES, BUT YOU WILL APPRECIATE THAT THEY ARE BOTH DISTURBING AND SUBSTANTIAL.

DURING 1981 CASSIAR RESOURCES CREATED PERMANENT JOBS FOR SOME 630 EMPLOYEES. AGAIN, USING THE MULTIPLIER EFFECT, THIS PROVIDED JOBS FOR NEARLY 1,000 OTHER BRITISH COLUMBIANS.

FROM THESE FIGURES WE CAN DRAW THE FOLLOWING CONCLUSIONS; NOT ONLY IS MINING A MAJOR FACTOR IN THE ECONOMY OF BRITISH COLUMBIA - BUT IT IS THE PRINCIPAL FACTOR IN THE ECONOMY OF THE NORTHERN REACHES OF THIS PROVINCE.

THESE FIGURES I HAVE JUST QUOTED ARE IMPRESSIVE, AND THEY TELL US ALL - LOUD AND CLEAR - THAT SOMETHING IMPORTANT IS GOING ON UP HERE IN NORTHERN B.C. INDEED, IT CAN BE SAID THAT WITHOUT MINING THERE WOULD BE LITTLE OF SUBSTANCE ON WHICH TO BASE THE FUTURE DEVELOPMENT OF THIS HUGE RESOURCE - RICH NORTHERN REGION OF BRITISH COLUMBIA.

DESPITE THE PRESENCE OF MANY KNOWN DEPOSITS OF COPPER, LEAD, ZINC, SILVER, GOLD, MOLYBDENUM, TUNGSTEN AND OTHER MINERALS, WHY HASN'T MINING GROWN MORE RAPIDLY IN THIS AREA? TO US THE ANSWER IS QUITE CLEAR. THE COSTS OF MINING ARE SUBSTANTIALLY HIGHER HERE IN THE NORTHERN REGIONS OF THE PROVINCE THAN THEY ARE IN THE SOUTH.

AN EXAMPLE: DURING 1981 THE LOCAL MINING COMPANIES - INCLUDING CASSIAR - CONSUMED AN ESTIMATED 7.3 MILLION GALLONS OF DIESEL FUEL OIL. FOR THIS WE NOT ONLY PAID THE PRESENT HIGH PRICE - BUT IN ADDITION - WE PAID A FURTHER 30 TO 35¢ PER GALLON TO TRANSPORT IT FROM THE OUTSIDE WORLD TO THIS RELATIVELY ISOLATED CORNER OF BRITISH COLUMBIA.

THIS PUTS A HEAVY WEIGHT ON OUR SHOULDERS, BUT IT IS A WEIGHT WE MUST CARRY IF WE ARE TO REMAIN IN BUSINESS - AND COMPETE WITH OTHER MINES THAT ARE CLOSER TO THE GREAT SOUTHERN SERVICE CENTRES, AND THE LONG-ESTABLISHED TRANSPORTATION SYSTEMS THAT LEAD TO THE PROVINCES MODERN MECHANIZED PORTS.

WE HAVE NONE OF THESE THINGS HERE!

SPEAKING OF TRANSPORTATION: LAST YEAR WE SPENT MORE THAN \$7 MILLION ON TRANSPORTATION - ALL OF WHICH CREATED JOBS FOR BRITISH COLUMBIANS. INCLUDED IN THIS AMOUNT IS THE SUM OF \$870,000 DOLLARS WE WERE FORCED TO PAY OUR CARRIERS AS A RESULT OF GOVERNMENT ROAD RESTRICTIONS THAT REDUCED THEIR PAY LOADS - THEREBY IMPOSING COSTLY PENALTIES ON US - AND OTHERS WHO USE HIGHWAY 37 BETWEEN THE ALASKA HIGHWAY AND STEWART.

UNDERSTAND, WE'RE NOT CRYING - WE ONLY KNOW WE HAVE BEEN PIONEERING IN THIS REMOTE AREA FOR SOME THIRTY YEARS AND WE BELIEVE THAT THESE PIONEERING DAYS SHOULD NOW BE DRAWING TO A CLOSE.

WE BELIEVE THAT THE TIME HAS COME FOR THIS REGION OF BRITISH COLUMBIA TO RECEIVE THE BENEFITS OF SOME CREATIVE GOVERNMENT THINKING - GOVERNMENT ACTION THAT WILL ACCELERATE THE DEVELOPMENT OF THIS REGION. ACTION THAT WILL HELP REMOVE SOME OF THE BURDEN CASSIAR HAS CARRIED IN THE PAST - AND CONTINUES TO CARRY - THROUGH ITS PROVISION OF A SOLID COMMUNITY SERVICE CENTRE THAT OFFERS CASSIAR AND DISTRICT CITIZENS A WIDE RANGE OF SUPPORT SYSTEMS AND SOCIAL AMENITIES, WITHOUT ANY CHARGES ON THE PUBLIC PURSE.

WE HAVE OTHER AREAS OF CONCERN.

TAKE POWER! ALL OF US UP HERE ARE REQUIRED TO GENERATE OUR OWN POWER AT A COST OF ABOUT 15¢ PER KILOWATT/HOUR. WHEN YOU COMPARE THIS COST WITH THE 4 - 5 CENTS PER KILOWATT/HOUR PAID BY MOST OTHER INDUSTRIAL USERS - INCLUDING OUR COMPETITORS - YOU WILL, I KNOW, APPRECIATE THE FAR-REACHING IMPLICATIONS -

AND, THE DEPTH OF OUR CONCERN.

AND, DESPITE THE RECENT ANNOUNCEMENT THAT B.C. HYDRO IS TO PROCEED WITH ITS POWER DEVELOPMENT IN THIS AREA - WE KNOW THAT THE BENEFITS OF THIS DEVELOPMENT ARE MORE THAN A DECADE AWAY.

ADD TO ALL OF THIS THE PROSPECT OF MEETING THE ADDED COSTS ASSOCIATED WITH WORKERS' NORTHERN BENEFITS WHICH - IN 1983 - MR. MACEACHEN PROPOSES TO TAX. CERTAINLY EMPLOYEES WILL NOT WISH TO LOSE THEIR WELL-ESTABLISHED NORTHERN BENEFITS, OR START PAYING TAXES ON THEM. THEY ARE NOT ONLY GOING TO BE LOOKING FOR THE REPLACEMENT OF THESE BENEFITS, BUT PROBABLY THEIR REPLACEMENT AT TWICE THEIR VALUE IN ORDER TO PAY THE TAX THAT MR. MACEACHEN PROPOSES TO IMPOSE ON THEM.

FRANKLY, THE TAXING OF BENEFITS IS A GREAT WORRY TO US - AS IT MUST BE TO YOU- BECAUSE THESE BENEFITS HAVE ATTRACTED MANY SKILLED WORKERS TO THE NORTH. SHOULD THESE SKILLED WORKERS LEAVE - WHAT AFFECT WILL IT HAVE ON OUR INDUSTRY? WHAT AFFECT WILL IT HAVE ON THE DEVELOPMENT OF THE NORTH?

NOW, MY TIME IS SHORT. YOU ARE HERE TO ASK QUESTIONS AND - GET ANSWERS. I SUGGEST THAT YOU MIGHT CONSIDER THE FOLLOWING FOUR AREAS WHICH ARE, AT PRESENT, OUR PRINCIPAL AREAS OF CONCERN.

FIRST: WE ASK THAT YOU DO ALL IN YOUR POWER TO CONVINCING THE FEDERAL GOVERNMENT THAT THERE IS A LEGITIMATE NEED FOR A NORTHERN TAX INCENTIVE FOR NORTHERN WORKERS - A PRINCIPLE THAT HAS BEEN ADOPTED IN OTHER COUNTRIES WITH REMOTE AND UNDEVELOPED AREAS OF POTENTIAL WEALTH.

SECOND: THAT YOU GIVE EARNEST CONSIDERATION TO THE REGENERATION OR UPGRADING OF HIGHWAY 37 WHICH, AT PRESENT, IS THE ONLY DIRECT TRANSPORTATION AXIS TO THE SEA OVER WHICH MINE PRODUCTS FROM THE CASSIAR - DEASE REGION CAN FLOW TO MARKET. THE LONG PERIODS OF RESTRICTIONS DURING THE 1981 BREAK-UP COST CASSIAR RESOURCES ALONE NEARLY \$870,000 IN ADDITIONAL TRANSPORTATION COSTS.

THIRD: TO REDUCE THE ENORMOUS DRAIN ON OUR NON-RENEWABLE ENERGY RESOURCES, AND TO ENCOURAGE MINING COMPANIES TO CONTINUE THEIR EXPLORATION AND DEVELOPMENT PROGRAMS, WE ASK THAT YOU GIVE SUBSTANCE TO A REASONABLE POWER ASSISTANCE PROGRAM FOR THIS AREA - ONE THAT WILL HELP SUPPLY POWER TO THE MINES, AND OTHER DEVELOPMENTS, AT A RATE FAR BELOW THAT WHICH WE IN THE CASSIAR REGION ARE NOW FORCED TO PAY - AN AMOUNT THAT WILL UNDOUBTEDLY INCREASE YEAR BY YEAR WHILE WE WAIT FOR THE RECENTLY ANNOUNCED B.C. HYDRO PROGRAM TO COME ON STREAM.

FOURTH: WE ASK THAT YOU DIRECT YOUR ATTENTION TO THE SUPPORT SYSTEMS REQUIRED BY BRITISH COLUMBIA CITIZENS WHO LIVE IN THIS REMOVE AREA. AT PRESENT, VIRTUALLY ALL OF THESE SYSTEMS IN CASSIAR ARE FINANCED AND SUPPORTED - WHOLLY OR IN PART - BY CASSIAR RESOURCES. FOR AN EXAMPLE, WE DIRECT YOUR ATTENTION TO THE CASSIAR HOSPITAL AND DENTAL CLINIC WHICH ARE FINANCED AND SUBSIDIZED BY CASSIAR RESOURCES. FURTHER, THE COMPANY FINANCES MOST OF THE DISTRICT'S RECREATIONAL FACILITIES. THESE FACILITIES ARE NOT ONLY USED BY CASSIAR RESOURCES EMPLOYEES, BUT ALSO BY EMPLOYEES OF OTHER MINING COMPANIES, LOCAL INDIAN BANDS, GOVERNMENT PERSONNEL, PLUS MANY OTHER NON-CASSIAR PEOPLE WHO LIVE IN THIS AREA. THIS IS A HUGE UNDERTAKING FOR WHICH CASSIAR RESOURCES HAS HAD TO ASSUME RESPONSIBILITY.

WE BELIEVE THE TIME HAS COME TO SHARE THESE RESPONSIBILITIES WITH THOSE WHO ARE ENGAGED IN THE OVERALL DEVELOPMENT OF THE PROVINCE AND WHO ARE THE STEWARDS OF ITS FUTURE.

GENTLEMEN, THERE IS A PRESUMPTION THAT THE CASSIAR MINE IS A VERY PROFITABLE OPERATION. NOT TRUE. WITH REDUCED SALES VOLUME, PRICES FOR PRODUCT AT 1980 LEVELS AND COSTS ESCALATING ALMOST OUT OF CONTROL - SURVIVAL WITH COST CUTTING AND REDUCED LEVEL OF OPERATION IS THE ORDER OF THE DAY FOR 1982.

THIS MESSAGE MUST BE CLEAR. THE ASBESTOS INDUSTRY AND CASSIAR ARE STRUGGLING TO SURVIVE. THEREFORE, AN UNDERSTANDING OF OUR PROBLEMS BY EVERY ONE ASSOCIATED IS IMPORTANT.

THANK YOU FOR YOUR ATTENTION.

DO YOU HAVE ANY QUESTIONS.