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CBC RADIO - SUMMER DAYBREAK - Tuesday, July 04, 2000

7:20 a.m. "Interview with Bruce McKnight, executive director of the BC and Yukon Chamber of Mines re BC Supreme Court overturning Tulsequah Chief Mine project, after government approval." Host Marion Barshall

CBC: Well last week the BC Supreme Court overturned a mining project that already had approval. The \$160 million dollar Tulsequah Chief Mine on the Taku River, near Atlin, is now on hold. The court ruled there had to be more consultation with local aboriginal people. The Tlingit of the area are negotiating a treaty and the judge said not enough had been done to protect their claim to the land. The Tlingit call last week's decision a gift. Here's how Tlingit spokesperson John Ward sees it.

WARD: Well seeing the British Columbia government putting themselves in a position to undermine our treaty by basically selling away our land and resources, prior to a settlement of a treaty. And if that was to happen or BC could carry on their business as usual in the absence of a treaty there wouldn't be much left to negotiate. So the gold in the resources is not going to go anywhere. It will always be there. So there's always work done in ways to ensure that the way to extract is not going to devastate or harm the land or peoples' dependency on it. I don't think you're going to find a Tlingit alive that's going to sell away all the rights and title in exchange for a job, on the short-term.

CBC: That was Tlingit spokesperson, John Ward. But more may have been lost by this decision than just short-term jobs. Bruce

McKnight is executive director of the BC and Yukon Chamber of Mines and he joins me on the line now from Vancouver. Good morning, Mr. McKnight.

McKNIGHT: Good morning, Marion.

CBC: What was your reaction to this court decision?

McKNIGHT: Well I was pretty shocked and disappointed.

CBC: Why?

McKNIGHT: Well basically I think what it's saying is that investors don't know what they have to do to proceed. They follow all the rules and spend their money in good faith and work up a sound project and it gets defeated by some well-funded lawyers.

CBC: Well as you say, you followed all the rules - or the company followed all the rules; what is the court decision telling you about what you have to do in the future?

McKNIGHT: Well who knows? That's the point. I think if it was obvious where the deficiency was, then it wouldn't be so bad. But this is kind of putting it in never-never land and I really think it's a sad day for BC taxpayers and the people in the Northwest, and the Tlingit First Nation, in particular.

CBC: Well how severe a blow is this to the company involved - Redfern Resources?

McKNIGHT: Well it could be a fatal blow for Redfern. That's only a small, junior company with one project. It doesn't have any income or any significant other assets, so that it has to raise its money from investors. And so it will be very, very difficult for them.

CBC: And what does it mean to mining and exploration in BC, in general?

McKNIGHT: Well it's bad news for mining and exploration in BC in general because it just kind of reinforces the negative policies that BC has had towards investors. This is one more - one more blow. I don't think it's just mining either, it's any project which needs an environmental review, I think is going to be in doubt. And I think that the government may have to look at its legislation to see whether they can get something which is workable.

CBC: Well the judge went out of her way to say that the company had done a good job on the consulting, up to December, 1997, and that's when things seemed to go wrong. As to your understanding, what went wrong?

McKNIGHT: Yes, I read the judgement as well and I don't know what happened. It must have been some kind of a pressure from the government to accelerate the permitting process after that date because the next few months, everything seemed to happen.

CBC: So in your reading of the judgement, who is to blame?

McKNIGHT: Well I think the government has to take the major blame on this. For one, they stickhandled the [?] through the process, and they of course, created the legislation that did this. In fact the legislation is very new. This is the first project in BC which has gone through the new Environmental Assessment Act.

CBC: So what do you think the government has to do now?

McKNIGHT: Well I don't know. I guess - I'm not a lawyer. I haven't had any advice from a lawyer in reading this thing, so it's sort of a lot of mumbo jumbo to me. But it's basically very scary when you - when you start taking away the ability of investors and taxpayers to benefit from any kind of development which needs environmental reviews. And I think that the - I should include the Tlingit First Nation in that, in terms of the victims of this outcome.

CBC: They don't see themselves as victims though. They are happy with this decision.

McKNIGHT: Well I know. I'm very surprised at that and I just wonder if that's a unanimous happiness or whether there's a splinter group that's pushing this, because they would be major beneficiaries of this. And in most parts of northern Canada, First Nations are very interested in economic development which can benefit them, and not try to shut things down.

CBC: But their claim was and is that there wasn't enough consultation with them?

McKNIGHT: Yes, I read that as well and I don't know what that means because there was a lot of consultation there. And whether they consulted with the wrong Tlingit First Nations or what, I don't know.

CBC: What does this say about future exploration in land that is involved in treaty negotiations and land where the ownership has not been determined?

McKNIGHT: Well it's not very good. I mean that's most of British Columbia that you're talking about right now. In fact all of British Columbia is under treaty negotiation, except for the Nisga'a land.

CBC: And what will the future be?

McKNIGHT: I don't know what the future will be but I think it is fairly bleak, from this kind of an outcome.

CBC: What about the future for the native bands involved?

McKNIGHT: Well I think the future will be bleak for them as well, until they can sort of get passed this.

CBC: So what will the Chamber of Mines do about this decision? What's your next step?

McKNIGHT: Well I guess our next step is we have to get some legal people to look at this thing to see what this means. I'm just getting sort of a layman's view of having read it last night. So that's our first step. And then we'll - you know, talk with the

government people, talk with Redfern and see if there's any way we can go forward.

CBC: Alright. Mr. McKnight, thank you.

McKNIGHT: Thanks a lot.

CBC: Bye now.

McKNIGHT: Bye bye.

CBC: That was Bruce McKnight. He is the executive director of the BC and Yukon Chamber of Mines, and earlier we heard from John Ward, spokesperson for the Crow Clan of the Taku River Tlingit. We'd like to hear what you think about this issue. Does the decision put a chill on mining and exploration development in BC, or is it a step forward in dealing with treaties?

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