

“Go back to the capital and stay there”:
The Mining Industry’s Resistance to Regulatory Reform in British Columbia 1972-2005

by

Sean C. Addie
Bachelor of Arts, University of Victoria, 2008

A Thesis Submitted in Partial Fulfillment
of the Requirements for the Degree of

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Supervisory Committee

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Abstract

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The Barrett (1972-1975) and Harcourt-Clark (1991-2001) New Democratic Party (NDP) governments attempted to redefine their relationship with the mining industry by changing the regulatory structures that governed mining in British Columbia. In both cases the mining industry publicly resisted these attempts, and was successful in having the reforms dismantled by subsequent free-enterprise oriented governments. These instances of conflict were centred on a foundational debate over government's role in, and/or duty to, the mining industry. Intense industry-led resistance occurred when the traditional industry-government compact, which required government to serve as a promoter of the industry, and a liquidator of Crown owned mineral resources, was perceived to have been violated.

The Barrett government more stringently asserted its ownership of public mineral resources through the enactment of a mineral royalty, and by assuming greater regulatory authority over mining operations. These actions instigated a substantial public relations campaign against the Barrett government over taxation laws. The Harcourt-Clark government pursued the development of strategic land-use plans and rejected the historic consensus that mining was innately the highest and best use of the land. This led to substantial anti-government rhetoric and an industry withdrawal from all public engagement and land-use planning processes. In both cases the mining industry was able to revive the traditional relationship when free-enterprise oriented governments replaced the NDP administrations.

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Dedication

To all those friends, colleagues, and family members that have supported me throughout this process.

Introduction

“[In the early years] the involvement of the provincial government was confined to presiding over the orderly disposal of mineral lands into private hands, providing encouragement and assistance to the mining industry and collecting a modest return in the form of taxation.”—Raymond Payne, “Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry,” 1979.¹
espresso

Dating back to the Gold Rush era, colonial and provincial governments sought to expand territorial control and increase British Columbia’s (BC) settler population through the rapid development of publicly owned natural resources, particularly mineral resources. To achieve this province-building objective, these governments formed a close relationship with the mining industry premised on creating a favourable climate for capital investment through public spending on infrastructure (thus directly reducing operating costs) and immediately liquidating publicly-held mineral resources to private interests. Once it alienated mineral rights to private interests by granting ownership and/or supplying tenure through the claims system, the provincial state played practically no role in the resource extraction process. Equally critical to this promoter-liquidator role was the state’s acceptance that mining represented the highest and best use of the land because it yielded high per-acre economic returns and contributed to government’s province-building objectives.² Over time, limited state oversight, active liquidation of

¹ Raymond Payne, “Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry” (MA Thesis, Simon Fraser University, 1979), 78.

²The concept of a singular highest and best use of the land is a cornerstone of land allocation, appraisal, and management practices and most simply refers to the use of the land that generates the largest net return while being both legally permissible, and physically feasible. see Government of British Columbia-Ministry of Forests, Lands, and Natural Resource Operations, “Land Policy: Pricing” File: 12000-00, May 26, 2011, 2.; Government of British Columbia-Ministry of Forests, Lands, and Natural Resource Operations, “Land

Crown resources, and the prioritization of mining over other land users shaped industry's understanding of its private ownership over newly discovered deposits and an accompanying right-to-mine.

Mutual acceptance of this traditional promoter-liquidator role remained the dominate approach to mining industry-provincial state relations until 1972, when a New Democratic Party (NDP) government departed from the accepted norm, and sought to form a new relationship to industry that focused on government's authority as the resource owner. A later NDP government also challenged the historic norm when it opted for a regulation-oriented relationship in 1991. In response to both, the mining industry initiated resistance campaigns against the provincial government. Fueling these disputes was an underlying conflict over the departure from the state's traditional role in promoting industry and accepting mining as the highest and best use of the land. Thus, between 1972 and 2005, the mining industry in BC swayed between adversarial and cooperative relations with provincial governments depending on how the latter positioned themselves in relation to the sector.

This thesis examines instances of industry opposition to the 1972-1975 and 1991-2001 NDP governments' attempts to reform the regulatory structures governing mining. It also describes how subsequent free enterprise-oriented Social Credit (Socred) and Liberal governments dismantled the NDP regulatory reforms and restored amicable relations with industry. This thesis argues that intense industry-led resistance occurred when mining interests perceived government to be contravening the foundational principles of its traditional promoter-liquidator role.

The cohesive organization of the mining industry was critical to its success in resisting both the Dave Barrett (1972-1975) and the Mike Harcourt-Glenn Clark (1991-2001) NDP governments. Two long-established lobby groups operated in the two distinct spheres of mining operations: exploration interests were championed by the BC and Yukon Chamber of Mines (BCYCM), while the Mining Association of British Columbia (MABC) represented development interests. Despite this distinction, the integration of member companies in both phases of mining ensured that the industry lobbied government with coherent, co-ordinated aims and tactics.

Industry resistance campaigns against both NDP governments were defined by their unified nature, consistent messaging, and attempts to achieve legitimacy through the depiction of popular rural support. The arguments and rhetoric wielded during these two campaigns were quite similar, consistently expressing industry's desire for tenure stability, secure access to land, supremacy over other land users, and a government regulatory regime which recognized the unique and inherently fragile nature of mining.

The post-Second World War regulatory structures governing mining were discernably different than those developed to manage renewable resource sectors. In forestry, for example, regulatory regimes evolved to empower government to take a substantial role in the allocation and management of resources. By contrast, in the mining sector, the Liberal-Conservative coalition and Social Credit governments perpetuated a passive, non-interventionist system of immediate liquidation. While forestry companies were required to build mills, direct logs to local mills, and accept state-mandated sustained yield harvest levels, mines were allowed to develop at any rate they decided, and export all of their production in the form of raw concentrates to foreign

smelters. This thesis is not, however, a comparative study of forestry and mining regulation. It is more modest in scope, documenting how the industry resisted new regulatory structures in its determination to hold the state to its traditional role as a friendly supporter of a sector beset by distinctive challenges.

Thesis Overview

Both NDP governments sought to reset the foundations of the regulatory framework governing mining in BC. Each pursued a relationship with industry incongruent with the traditional promoter-liquidator role of government. Conversely, the 1976 Socred and 2001 Liberal governments embraced relations based on the traditional role, and developed cooperative relations with the mining industry. Following both instances of conflict, subsequent free-enterprise-oriented governments dismantled the NDP's reforms shortly after taking office, and enshrined ever more supportive policies in the years that followed.

Chapter One follows the mining industry's resistance to the Barrett government's attempts to expand the BC state's role in the mining sector during the early 1970s. Rather than prioritizing the promotion of the industry's profitability and expansion, the NDP challenged the principle that rapid, unconstrained liquidation of mineral resources was in the public interest.³ The Barrett administration affirmed Crown ownership of mineral resources by refusing to provide financial support without receiving an equity stake in any new project, introducing a revenue recovery system that did not emphasize private sector profitability, and adopting powers to determine when, how, and if a mine would operate. The NDP were reaffirming public ownership of the resource, rejecting

³ Dave Barrett and William Miller, *Barrett: A Passionate Political Life* (Vancouver: Douglas & McIntyre, 1995), 91.

the established belief that direct revenue was due only when the private interest's profit motive was first satisfied, and affirming that employment alone was not a sufficient exchange for extracting non-renewable resources. The mining industry developed a united front to resist these reforms, launching a coordinated public relations campaign against the government's 1974 Mineral Royalties Act (MRA).

The second chapter begins after the failure of the Barrett NDP to acquire a second term in office following a snap election in late 1975. This defeat led to a renewal of government's traditional hands-off relationship with mining interests under Bill Bennett's free-enterprise-oriented Socred government. The mining industry greeted the dismantling of NDP mining reforms and new government spending on infrastructure and geoscience with enthusiasm. Despite instances of public civil disobedience targeting government's promotion of the mining industry, Socred governments prioritized mining over other land uses and embraced the traditional promoter-liquidator role throughout the 1980s.

Chapter Three follows from the 1991 election of Mike Harcourt and his NDP administration's decision not to acknowledge a key component of the traditional relationship, that mining constituted the highest and best use of the land. The rise of non-extractive environmental values during the 1980s precipitated the introduction of a new government-industry relationship, one that sparked another round of vigorous industry resistance. The NDP governments of Harcourt and Clark in the 1990s did not seek to recreate the acrimonious relationship developed by Dave Barrett twenty years earlier; instead, they defined a new relationship based on the exercise of government authority to regulate extractive industries operating on Crown land. Government publicly articulated

that it valued the economic contributions of mining, and did not seek to challenge the existing norms surrounding the liquidation of Crown mineral resources to private interests. However, in integrating mining into the broader natural resource sector regulatory regime the NDP were denying mining its preferred place as the highest and best use of the land. With the NDP again rejecting a core tenet of the preferred promoter-liquidator relationship, mining capital responded by rebuking government in the print media, developing policy alternatives, and challenging government compensation policies in court.

The ability of industry to build media and rural coalitions against government's new approaches to mining confounded both the 1970s and 1990s NDP administrations, leading both to unsuccessfully offer concessions in a bid to temper the mining industry's adversarial tone. The Barrett NDP offered tax breaks and subsidies for secondary processing facilities. Similarly, the Clark government appointed a mining advocate to represent industry's interests inside the bureaucracy, and created a mineral claim expropriation compensation framework that industry accepted as favorable to mining capital. Despite these actions, industry continued to attack the perceived failure of NDP governments to live up to the traditional promoter-liquidator role of government and successfully convinced subsequent governments to turn back the clock on the NDP's mining policies.

Existing Scholarship: A Brief Overview

There has been little work done on the political history of mining in BC, particularly for the period following World War II. Much of the available literature is tangential to my central argument or addresses earlier historical periods, so this thesis relies more on

primary sources than on secondary literature. Among the directly relevant scholarly works, Jackie Nelson's broad semi-historical "retrospective" on copper mining in BC is both topically and temporally linked to this thesis. However, Nelson makes factual errors and lacks detail, often addressing the political history of whole decades in a single paragraph.⁴ Raymond Payne's Master's thesis on corporate power relations and conflict over mining reforms during the NDP's 1972-1975 government is a stronger, more reliable and relevant source for this thesis.⁵ I build on Payne's work by including interviews with major political, bureaucratic, and industry leaders and by incorporating other sources that were unavailable to Payne when he wrote.

In 1974, George Richardson noted that most histories of mining are written for a non-academic audience and "stress the dramatic aspect of prospecting and wheeler-dealing in the development of mines," while playing down any critical review of "the effect of this industry on society."⁶ This continues to be true of many localized histories. Many small towns in BC can and do tie their incorporation to the arrival and advance of mining, giving rise to many popular histories of specific towns or mine sites. These histories often focus on sensationalized settler "pioneer" narratives.⁷ There are a few

⁴ Jaqueline L. Nelson, "British Columbia Copper Mining Development: A Sixty-Year Economic and Political Retrospective" (PHD Dissertation, University of British Columbia, 2015).

⁵ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 335.

⁶ George W. Richardson, "a Survey of Canadian Mining History" (the Canadian Institute of Mining and Metallurgy) 1974, special volume 14, 9.

⁷ David Scott, and Edna Hanic, *East Kootenay Chronicle: A Story of settlement, lawlessness, mining disasters and fires stretching across south western British Columbia from the Alberta border to Creston on Kootenay Lake* (Langley: Mr. Paperback, 1979).; Murphy Shewchuck, *The Craigmont Story* (Surrey: Hancock House, 1984).; *Backtracking with the Fernie Historical Association* (Lethbridge: Lethbridge Herald Printers, 1967).; Pat Foster, *Historic Ashcroft: For Strong Eyes Only* (Kamloops: Plateau press, 1999).; And, *Cariboo Gold Rush* (Surrey: Heritage House Publishing Company, 1987).

academic studies on labour relations and worker experiences at specific mine towns that can be useful contributions to understanding the labour, capital, and social conflicts occurring within mining communities.⁸ Many works fall somewhere in between academic and popular: Lynne Bowen's *Three Dollar Dreams* and *Boss Whistle*⁹ are excellent reviews of the lived experience of early Vancouver Island miners, and *Atlin: The Story of British Columbia's Last Gold Rush*, provides an excellent depiction of BC's final gold rush.¹⁰

The Fraser River and Cariboo gold rushes are reasonably well-studied. Patricia Vaughan's 1977 B.A. Honours thesis outlines the transition in the mining industry-Hudson's Bay Company relationship through the 1858 gold rush, documenting the state's initial attempts to control and regulate the onslaught of American miners, who were rapidly replacing the existing First Nation miners.¹¹ Daniel Marshall has written about conflict between First Nations and the newcomer placer miners who dispossessed the former of their mining monopoly and lands in what he describes as the Fraser River War.¹² Both detail the regulatory systems imposed by the colonial state and illustrate the difficulties of enforcement at a time when state capacity was limited.

⁸ For an important exception see: Jeremy Mouat, *Roaring days: Rossland's Mines and the History of British Columbia* (Vancouver: UBC Press, 1995).

⁹ Lynne Bowen, *Three Dollar Dreams* (Lantzville: Oolichan Books, 1987).; and Lynn Bowen, *Boss Whistle: The Coal Miners of Vancouver Island Remember* (Lantzville: Oolichan Books, 1982).

¹⁰ Christine Frances Dickinson and Diane Solie, *Atlin: The Story of British Columbia's Last Gold Rush* (Atlin: Atlin Historical Society, 1995).

¹¹ Patricia Elizabeth Vaughan, "Cooperation and Resistance: Indian-European Relations on the Mining Frontier in British Columbia, 1835-1858" (Honours B.A. Thesis, University of British Columbia 1978).

¹² Dan Marshall, "Claiming the Land: Indians, Gold Seekers, and the Rush to British Columbia," (PhD. dissertation, Simon Fraser University, 2000), 199-329.

Many academics have undertaken treatments of environmental consciousness, the conservation movement, and resource conflict over industrial use in and around provincial parks.¹³ Although many of these studies engage mining and mining regulation, John M. Dwyer's account is the most focused socio-political review of conflict over mining operations and government's role in their authorization. Dwyer effectively illustrates state decision making in laying out the history of mining-related conflict up to and including the 1987-1988 civil disobedience in Strathcona Park.¹⁴

In broad scope histories of BC mining is present largely as a backdrop against which other themes, people, or events are explored. However, there are exceptions. Martin Robin's *Pillars of Profit*¹⁵ and *The Rush for Spoils*¹⁶ both give substantial weight to mining's role in the history of BC economic development. Robin's focus on the political cleavages that set BC apart from the rest of Canada relied heavily on an examination of industrial labour's relationship to capital, which made the capital-intensive mining sector an unavoidable focus of his research. Other books which use mining-centric events to explore other themes such as Cole Harris' *Making Native Space*, aid in understanding the intersections of mining and other values in a pre-World War Two setting.¹⁷

¹³ Terrence John Fairclough, "The Battle for Buttle Lake" (MA research paper, University of British Columbia, 1985).; and Arn Keeling and Graeme Wynn, "The Park...Is A Mess: Development and Degradation in British Columbia's First Provincial Park" *BC Studies* no.170, (Summer 2011), 119-150.

¹⁴ John M. Dwyer, "Conflicts over Wilderness: Strathcona Provincial Park, British Columbia" (MA thesis, Simon Fraser University, 1993).

¹⁵ Martin Robin, *Pillars of Profit: The Company Province 1934-72* (Toronto: McClelland and Stewart, 1973).

¹⁶ Martin Robin, *The Rush for Spoils: The Company Province 1871-1933* (Toronto: McClelland and Stewart, 1972).

¹⁷ Cole Harris, *Making Native Space: Colonialism, Resistance, and Reserves in British Columbia* (Vancouver: UBC Press, 2003).

Although historians and political scientists have evaluated BC's approach to natural resource management many times over, the majority of this work focuses on forestry. Jeremy Wilson's *Talk and Log* is an excellent survey of the intersections of the environmental movement, industry, and government in the forest management debate.¹⁸ Gordon Hak writes about similar processes in his treatment of the 55 years following the Fraser River gold rush and his later work on the 1933-1974 period.¹⁹ Yasmeen Qureshi's 1991 Master's thesis reviews how the forest sector giant MacMillan Bloedel responded to the growth of the conservation movement.²⁰ Richard Rajala has provided studies of the forest-labour-environmental impact of forest harvesting activities in a series of publications over the past two decades.²¹ Each of these authors explore conflicts between environmental groups and renewable resource extraction industries across wide geographic areas. Yet caution should be taken when trying to apply such understandings to mining's non-renewable, site-specific interaction with the land.

Work by George Hoberg, Dennis Pilon, Stephen Philips, Keith Brownsley, Michael Howlett, and Joshua Newman in *British Columbia Politics and Government* provides insight into the policy development cycle and governmental operations in the

¹⁸ Jeremy Wilson, *Talk and Log: Wilderness Politics in British Columbia* (Vancouver: UBC Press, 1998).

¹⁹ Gordon Hak, *Turning Trees into Dollars: The British Columbia Coastal Lumber Industry, 1858-1913* (Toronto: University of Toronto Press, 2000); and, Gordon Hak, *Capital and Labour in the British Columbia Forest Industry* (Vancouver: University of British Columbia Press, 2006).

²⁰ Yasmeen Qureshi, "Environmental Issues in British Columbia: An Historical Geographical Perspective" (MA thesis, University of British Columbia, 1991)

²¹ Richard A. Rajala, *Clearcutting the Pacific Rain Forest: Production, Science, and Regulation* (Vancouver: UBC Press, 1998).; and, Richard A. Rajala, *Up-Coast: Forest and Industry on British Columbia's North Coast 1870-2005* (Victoria: Royal BC Museum, 2006).

natural resource sectors.²² Donald E. Blake makes many similar observations in his evaluation of how the BC political landscape is defined by polarization in *Two Political Worlds*.²³ Paul Wood's *Biodiversity and Democracy* makes an important contribution by framing the public dialogue on environmental issues within functioning democratic societies as a series of moral and social questions.²⁴ These studies of BC's resource economy provide essential context for this thesis by positioning the regulation and deregulation of the mining industry within a broader narrative of resource management and shifting environmental values.

Besides the aforementioned economic, social and environmental histories, biographies and autobiographies of major political actors can provide an insight into the operations of policy and government. Dave Barrett's 1972-1975 NDP government is well-represented here, not least by Barrett's autobiography, *Barrett: A Passionate Political Life*. Though it contains few direct references to his government's attempts to regulate the mineral industry, Barrett's autobiography gives important background on the former premier's views on corporate relations and his relationship with industry generally.²⁵ Meggs and Mickleburgh's positive depiction of the Barrett government commits only a few pages to the conflict over the 1974 Mineral Royalty Act, but ignores

²² George Hoberg, "Bringing the Market Back In: BC Natural Resource Policies During the Campbell Years" 331-352; Dennis Pilon, "Democracy, BC-Style" 87-108; Stephen Phillips, "Party Politics in British Columbia: The Persistence of Polarization" 109-130; and Keith Brownsey, Michael Howlet, and Joshua Newman, "From Forestry to Film: The Changing Political Economy of British Columbia" 15-32, all in *British Columbia Politics and Government* eds. Michael Howlett, Dennis Pilon, and Tracy Summerville (Toronto: Emond Montgomery Publications, 2010).

²³ Donald E. Blake, *Two Political Worlds: Parties and Voting in British Columbia* (Vancouver: UBC Press, 1985).

²⁴ Paul M. Wood, *Biodiversity and Democracy* (Vancouver: UBC Press, 2000).

²⁵ Barrett, *Barrett: A Passionate Political Life*, 91. See page 91 for specific reference to Barrett's role in aggravating the mining industry.

the internal cabinet conflict between Mines Minister Nimsick and Resources Committee Chairman Bob Williams that this thesis examines.²⁶ Lorne Kavic and Garry Nixon presented a similar portrayal of the Barrett NDP in their 1978 work *The 1200 Days*. A staccato amalgamation of small vignettes, the structure of the book does not lend itself to a single structured argument, but provides detail on the tumultuous and ambitious agenda of change pursued by the first NDP government in BC.²⁷ The sub-section on mining is just five pages long, but provides a useful overview of the NDP's mining policy changes.

Similarly, the scandals involving both the Bill Bennett and Bill Vander Zalm governments of the 1980s are well-documented in political biography and autobiography. Literature on the 1980s is dominated by popular political biographies, many of which betray their bias in their titles. Stan Persky's *Fantasy Government*²⁸ and Graham Leslie's *Breach of Promise*²⁹ both outline the scandals of the Vander Zalm era. Bill Kay's *The Zalm and I* offers a rather personal view of one of BC's most dynamic political personalities.³⁰ Alan Twigg and David Mitchell each published a work immediately following the selection of Vander Zalm as leader of the Social Credit party in 1986. Twigg's 1986 treatment of Vander Zalm's rise to premier is a personal account, featuring limited policy analysis, and ignores mining entirely.³¹ Mitchell's 1987 *Succession*

²⁶ Geoff Meggs and Rod Mickleburgh, *Art of the Impossible: Dave Barrett and the NDP In Power 1972-1975* (Madeira Park: Harbour Publishing, 2012).

²⁷ Lorne J. Kavic and Garry Brian Nixon, *The 1200 Days: A Shattered Dream: Dave Barrett and the NDP in BC* (Coquitlam: Kaen Publishers, 1978) 112-116.

²⁸ Stan Persky, *Fantasy Government: Bill Vander Zalm and the Future of Social Credit* (Vancouver: New Star Books, 1989).

²⁹ Graham Leslie, *Breach of Promise: Sacred Ethics Under Vander Zalm* (Madeira Park: Harbour Publishing, 1991).

³⁰ Bill Kay, *The Zalm and I: B.C.'s Backroom Politics* (Surrey: Hancock House Publishers, 1993).

³¹ Alan Twigg, *Vander Zalm: From Immigrant to Premier* (Madeira Park: Harbour Publishing, 1986).

focuses on the political maneuvering that led to Bill Bennett's resignation, and Vander Zalm's ascension to the premier's office, but is similarly lacking in attention to mining.³² An earlier treatment of Bill Bennett's Socred resumption of power in 1975 was offered by Persky in *Son of Socred*. Much like Kavic and Nixon's *The 1200 Days*, *Son of Socred* was published in the late 1970's and relies heavily on media evaluation to assess whether the Bennett Socreds had lived up to their 1975 election slogan to 'get BC moving again.'³³

Literature on the natural resource sector regulatory reforms of the 1990s is directly relevant to this thesis. The 1990s saw the mining industry integrated into the broader natural resources regulatory regime through the development of comprehensive land-use planning structures. In the area of social and cultural studies BC's *War in the Woods*³⁴ and the Commission on Resources and Environment's (CORE) land-use planning process are approached along gender lines by Maureen Reed³⁵ and Tracy

³² David Mitchell, *Succession: The Political Reshaping of British Columbia* (Vancouver: Douglas & McIntyre, 1987).

³³ Stan Persky, *Son of Socred: Has Bill Bennett's Government Gotten BC Moving Again?* (Vancouver: New Star Books, 1979).

³⁴ The *War in the Woods*: A term adopted to refer to the frequent conflicts and civil disobedience over resource extraction in the 1980's and 1990's. This conflict pitted environmental non-governmental organizations, and portions of the general public against forestry companies and other associated groups. The conflict focused on debates around the preservation of old-growth forests, and the forest industry's desire to continue to harvest in the most economic manner. Roger Hayter popularized the academic use of this term in the following : "The Contested Restructuring Qua Remapping of British Columbia's Forest Economy: Reflections on the 'Crossroads' and 'War in the Woods' Metaphors." *The Canadian Journal of Regional Science* 27, no. 3 (2004). and ""The War in the Woods": Post-Fordist Restructuring, Globalization, and the Contested Remapping of British Columbia's Forest Economy." *Annals of the Association of American Geographers* 93, no. 3 (2003): 706-729.

³⁵ Maureen G. Reed, "Seeing Trees: Engendering Environmental and Land Use Planning" *The Canadian Geographer* 41, no.4 (December 1997).

Thornton.³⁶ Both authors make proficient use of primary research, but were writing while these land-use planning processes were ongoing, and thus could not assess their long-term impacts. BC's land-use planning regime was also the focus of Annie Booth's 2003 proscriptive treatment of public engagement,³⁷ while fishery sector representative Mae Burrows wrote from a participant's perspective on the Vancouver Island CORE process (VICORE) in a 1996 Master's thesis.³⁸ These works provide insight into the actual experience of conducting a collaborative planning process within an intensely polarized context, and often include direct observations of the mining industry representatives' actions and views.

Land-use planning is explicitly engaged with in a number of studies of the forest sector, including Wilson's *Talk and Log*³⁹ and *In Search of Sustainability*.⁴⁰ Through the lens of forestry, these works give a strong sense of BC's broader resource management regime and the changes enacted under the Harcourt NDP administration of the 1990s. Yet while both these works address the planning processes that garnered substantial criticism from the mining industry, neither moves beyond the forest sector's response in a meaningful way.

A series of articles from the mid- and late 1990s in the academic journal

Environments relates directly to the land-use planning processes enacted during the

³⁶ Tracy M. Thornton, "Women's Participation in land use planning: A Case study of the Cariboo-Chilcotin Land Use Plan (CCLUP)" (MA Thesis, University of Northern British Columbia, 2002).

³⁷ Annie Booth, "What works Well; What needs Improvement": Lessons in public consultation from British Columbia's resource planning processes" *Local Environment* 8, no.4 (2003).

³⁸ Mae Burrows, "Consensus Negotiation: Conflict Resolution or Containment Vancouver Island: A Case Study" (MA Thesis, Simon Fraser University, 1996).

³⁹ Wilson, *Talk and Log: Wilderness Politics in British Columbia*,.

⁴⁰ Benjamin Cashore, George Hoberg, Michael Howlett, Jeremy Rayner, and Jeremy Wilson eds. *In search of Sustainability: British Columbia Forest Policy in the 1990's* (Vancouver: UBC Press, 2001).

Harcourt years, but again mining is largely ignored.⁴¹ Nevertheless, these articles make a meaningful contribution to the understanding of planning's place in the broader resource management regime. Gary Kofinas and Julian Griggs, for example, provide a thorough introduction to the bureaucratic, social, and political pressures that led to the formation of the British Columbia Roundtable on Environment and Economy (BCRTEE), specifically addressing how civil disobedience affected the table's focus and formation. As an exception to the norm, these authors take time to place the BCRTEE in its historical context, asserting that it was not founded, nor did it function in isolation from the surrounding socio-political climate. Stephen Owen, the chairman of CORE, offers a strong though somewhat self-serving articulation of the strengths and weaknesses of the commission.⁴² Owen briefly describes the social and political origins of CORE, highlighting the role of a growing academic dialogue on public participation in environmental management and CORE's desire to bring peace to the woods. While he does not undertake a substantive review of previous planning initiatives such as the 1989-1991 Forest Resources Commission (FRC) or BCRTEE, he claims that they contributed to the general awareness of the need for strategic land-use planning. He is critical of the 1996 decision to disband the commission, arguing that this resulted in a "...major gap in land use and sustainability strategy."⁴³

⁴¹ Gary Kofinas and Julian Griggs, "Collaboration and the BC Round Table on the Environment and the Economy: An Analysis of a Better Way of Deciding" *Environments*, 23, no. 2 (1996).; and; Mark Roseland, Robert Penrose, and J. Day, "Shared decision making in public land planning: an evaluation of the Cariboo-Chilcotin CORE process" *Environments* 25, no2/3 (1998).

⁴² Stephen Owen, "Land use Planning in the Nineties: CORE Lessons" *Environments* 25, no. 2 (1998): 14.

⁴³ Stephen Owen, "Land use Planning in the Nineties: CORE Lessons" 14.

Tony Jackson and John Curry provide a technical evaluation of the 1990s' land-use planning regime in multiple articles focusing on the development and application of consensus-based decision-making.⁴⁴ Their policy-oriented lens leads them to attribute the creation of CORE to shifts in electoral politics, ignoring the bureaucratic momentum created during conflict resolution in the late 1980s. Unlike Stephen Owen, Jeremy Wilson, and Kofinas and Griggs, Jackson and Curry ignore all pre-CORE consultative bodies such as the FRC, BCRTEE, and Parks and Wilderness for the 90's. By leaving these initiatives out of their analysis, the authors give their reader an exaggerated sense of CORE's exceptionalism and divorce its formation and mission from the political and bureaucratic structures that it succeeded. The authors dismissively describe the pre-1991 period as dominated by a top-down autocratic regime under which land use planning "for rural communities made little sense" and where "local interests were regarded as having no special standing."⁴⁵

Building on the available literature, this study will examine the mining industry's opposition to, and amicable relations with different BC governments between 1972 and 2005. Throughout this period, this thesis provides an understanding of what led the mining industry to develop adversarial relationships with NDP governments, and friendly relations with free-enterprise oriented Liberal and Socred governments. I propose that adversarial relations emerge in response to an underlying conflict over the role of

⁴⁴ Tony Jackson and John Curry, "Regional Development and Land Use Planning in Rural British Columbia: Peace in the woods?" *Regional Studies* 36, no.4 (2002) 439-443.; and Tony Jackson and John Curry, "Community Based Sustainability in an Export dependant resource economy: British Columbian Experiment to deliver sustainability in one Province" *Journal of Transatlantic Studies* 2, no 1 (2004) 39-59.

⁴⁵ Jackson and Curry, "Community Based Sustainability in an Export dependant resource economy: British Columbian Experiment to deliver sustainability in one Province," 42.

government and not a technocratic argument over relative costs and benefits of specific policy initiatives.

Chapter 1

Challenging Normal Relations: The Mineral Royalties Act and the Barrett NDP's 'War on Miners'

“The mineral royalties act was unquestionably the most controversial piece of legislation passed by the BC legislature during the calendar year 1974. It was bitterly opposed by the mining industry and the business allies of that industry. In fact, it was probably the most effective and most vigorous campaign ever waged by a pressure group against a legislative program in the history of the province.”—Lewis Seens 1983¹

Introduction

In the fall of 1972, the provincial New Democratic Party (NDP), under the leadership of Dave Barrett, won BC's 31st provincial election. The three-way split among the free-enterprise vote (i.e. the Progressive Conservative, Liberal, and Social Credit parties) gave the NDP just over 40 percent of the popular vote, but 36 of 53 available seats. It was the first NDP government in the province's history; the party that had always served as vocal opposition took the reins of power for the first time.

The NDP government fell after three years in office to a revived Socred party following Barrett's decision to call a snap election in December of 1975. Despite this short time in office the NDP pursued an ambitious legislative agenda, making 26 policy decisions, and finalizing 13 pieces of legislation in their first 100 days.² Substantial alterations to social programs, education policy, and forestry management accompanied

¹ Lewis G. Seens, “Awesome Sweeping Powers: the land commission act, 1973 the mineral royalties act, 1974 and other blank cheque legislation: the NDP years 1972-1975” *BC Project Working Paper*, 1983. Unpublished, 23. Available at Uvic Special Collections: CA UVICARCH AR020.

²Walter D. Young, “Politics in British Columbia in the 1970's: the three year Decade” Prepared for BC Studies Conference, Oct. 30 to Nov 1, 1981, unpublished. 17-18. Available at Uvic Special Collections: CA UVICARCH AR020.

two politically challenging, but ultimately successful reforms: the creation of the Agricultural Land Reserve, and provincialization of the auto insurance industry.³

In the mining sector, the NDP forwarded a package of reforms that more strenuously asserted government ownership of mineral resources. Key objectives included bolstering government's control over mining operations, pursuing the century-old goal of developing world-scale secondary processing and tertiary metal manufacturing industries, and increasing Crown revenue from mines, while detaching the Crown's share from industry's profitability. The NDP pursued these objectives in two waves. The first set of reforms, introduced in 1973, sought to provide government more control over how and when a mine came into operation. In a substantial departure from the existing regulatory structure, legislative amendments applied resource management controls to the mining sector. These measures required Ministerial approval for the transfer of a lease, banned mining in parks, and gave the government authority to acquire equity in mine projects, or suspend, even cancel, a lease in specific circumstances.⁴ The mining industry publicly admonished the government for discouraging investment in the sector, but reserved their most vehement attacks for the Mineral Royalties Act (MRA) of 1974, which replaced the existing profit tax with a royalty on minerals. This act enshrined the government's role as resource owner, and ensured that the relative profitability of a mining company did not affect revenue government received from the extraction of Crown owned minerals.

³ Provincialization: a term commonly used to describe the provincial state's acquisition of a previously private interest. This is used to differentiate between nationalization pursued by the federal government, and the "provincialization" activities of the provincial government.

⁴ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 158-160.

The mining industry's response to the NDP policy reforms is noteworthy for both its intensity and its almost total success. Industry's ability to build networks of resistance among the wider public (including elected officials, rural communities, unions, and academics) was sufficient to pressure the NDP to distance itself from, and then begin to reject its own mining reforms in late 1975. An internally fragmented NDP confronted a well-organized, centrally-planned opposition strategy carried out by many stakeholders linked through a network of corporate associations which more closely mirrored a sixteenth-century European court than a competitive twentieth-century marketplace.⁵

This chapter will illustrate how the NDP, under Dave Barrett, attempted to reframe the provincial state's relationship with the mining industry. Rejecting the traditional promoter-liquidator role of government, the NDP intended to affirm public ownership of mineral resources and proceed towards participating in mining operations as an equity-holding partner. This partnership was realized both by demanding equity stakes in exchange for direct subsidies, and by pursuing a royalty structure that tied government's ownership interest more closely to the act of mining public resources. The outright rejection of this new relationship by the mining elite eventually led the NDP to retreat, opting, by late 1975, to begin the process of returning to a less controversial, non-interventionist promoter-liquidator relationship.

⁵ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 32-37.

1972-1973: The Gathering Storm

The 1970s BC NDP was a democratic socialist party with leftist leanings, but it was not a party of radicals. Despite including prominent Waffle Movement⁶ politicians (Barrett himself was a signatory of the Waffle Manifesto), the BC NDP displayed little interest in changing the means of production.⁷ State acquisition of viable private sector companies remained a plank in the party platform, but was not central to the Barrett NDP's resource policy; the Barrett government never seriously considered state acquisition of mining companies.⁸ Prior to the 1972 election, the NDP platform had called for the federal government to nationalize all polluting industries. However, as Leo Nimsick reflected in 1980, provincialization of mining companies was simply never discussed.⁹ During its three years in office, the Barrett NDP's legislative agenda primarily consisted of social and educational reforms, advancement of pollution control regulation, and the preservation of farm land. The obvious outliers from this were the provincialization of the automobile insurance industry in 1973 and the expansion of Crown-owned forestry corporations, though these acquisitions were often pursued in an attempt to maintain the economic viability of resource-dependant remote communities.¹⁰

Barrett's cabinet had little experience in natural resource matters. Consisting largely of professionals from the social services sector and organized labour, it contained

⁶ The Waffle Movement: was a small radical subset of the NDP who advocated for the realization of a socialist Canada through substantial nationalization of industry and a centrally planned economy. It was a short lived movement, originating in the late 1960's and disbanding by the mid-1970s.

⁷ Meggs, *Art of the Impossible: Dave Barrett and the NDP In Power 1972-1975*. 45

⁸ Lewis Seens, with Walter Young, Neil Swainson, and Alan Cairns. "Transcript of Interview: Leo Nimsick Former Minister of Mines" *BC Project*, June 26, 1981, 34-35. Available at Uvic Special Collections: CA UVICARCH AR020.

⁹ Seens, "Transcript of Interview: Leo Nimsick", 34-35.

¹⁰ Kavic, *The 1200 Days: A Shattered Dream: Dave Barrett and the NDP in BC*, 119-121.

few natural resources specialists and even fewer “mining men.”¹¹ Those tasked with reforming mining regulations drew upon an ideological conviction that BC was being shortchanged by multinational mining corporations. “The battle lines were drawn very quickly,” Barrett wrote in his autobiography, “as the corporate elite realized they were no longer calling the shots.” Here, Barrett made little reference to specific mining policies, but clearly conveyed his hostility to the belief in the corporate sector that “the God-given resources everyone talks about on Sunday really belong to them.” He went on to explicitly discuss what he interpreted as a restructuring of power relationships in BC, triumphantly stating that, “for the first time, power in the boardroom no longer meant cabinet power also.” The integration of this anti-corporate view into the regulation of the mining industry led the NDP to discount advice provided by the few mining experts available to them.¹²

At the centre of the mining regulation reforms was former miner and labour organizer Leo Nimsick, the longest-sitting MLA in the legislature, and likely the only NDP cabinet minister to have ever set foot inside a mine. A person with deep roots in Canada’s political left, Nimsick had an abiding faith in socialist doctrine as expressed in the Regina Manifesto.¹³¹⁴ Moving into politics in 1947, he won a Cooperative

¹¹ Seens, “Transcript of Interview: Leo Nimsick”, 47.

¹² Barrett. *Barrett: A Passionate Political Life*, 64.

¹³ Regina Manifesto: this was the founding document of the Cooperative Commonwealth Federation (CCF) the more leftist predecessor of the NDP. Adopted at the CCF’s first national convention in 1933, the Regina Manifesto called for the eradication of the capitalist system in favour of: “a planned and socialized economy in which natural resources and principal means of production and distribution are owned, controlled and operated by the people.”

¹⁴ Seens, “Transcript of Interview: Leo Nimsick”, 45.

Commonwealth Federation (CCF)¹⁵ seat in the mining centric east Kootenays region, holding that seat until his retirement in 1975. Nimsick held the traditional leftist views of the CCF, which were no longer directly relatable to the policies and approaches of the newer NDP. Despite this loyalty to the party's traditional outlook, pragmatism led Nimsick to recognize the risks associated with undermining industry profitability

Alongside Nimsick was his Deputy Minister, John McMynn. A career mine manager with experience across Canada, he had never held a public service post, but chose to join Leo Nimsick in the spring of 1973. McMynn later cited an interest in giving back to an industry that had supplied him a high standard of living as his reason to serve under an NDP government.¹⁶

While the NDP's mining reforms were publicly spearheaded by Nimsick, many of the guiding decisions were made by the cadre of Dave Barrett's confidants that made up the so-called "inner cabinet."¹⁷ Later in the NDP's term as this decision-making group narrowed, Barrett and his closest cabinet ally Bob Williams, the Minister of Lands, Forests, and Water Resources, became "...practically the entire decision-making apparatus of the NDP government."¹⁸ Like Barrett, Williams had a bullish personality. Acting as head of the Resources Committee he dominated cabinet decision-making on

¹⁵ Cooperative Commonwealth Federation (CCF): the more leftist predecessor of the NDP that emerged as the preeminent political representation of socialist thinking in the 1930s. This party became the NDP in 1961, and adopted a less revolutionary approach to politics.

¹⁶ Lew Seens, "Transcript of Interview: John McMynn – Former Deputy Minister Mines and Petroleum Resources" June 23, 1981, 21. Available at Uvic Special Collections: CA UVICARCH AR020.

¹⁷ "Inner Cabinet" is a common term used to refer to most powerful members of the cabinet, see: Lewis G. Seens, "Notes on Interviews: Leo Nimsick Former NDP Minister of Mines," May 4-8 and 10, 1981. Cranbrook, B.C. 7. Available at Uvic Special Collections: CA UVICARCH AR020.; and, Seens, "Transcript of Interview: John McMynn" 38.

¹⁸David J. Mitchell. *WAC Bennett and the rise of British Columbia*, (Vancouver: Douglas and McIntyre, 1983), 440.

mining policy, along with all natural resource sector legislative initiatives. Not surprisingly, Nimsick and Williams clashed frequently, the former becoming convinced that Williams was actively undermining his authority.¹⁹

Primarily youthful and energetic, the NDP caucus entered office during a time of immense economic growth, much of it attributable to rapid expansion of the natural resource sector. Infrastructural spending on healthcare, social services, education, transportation, and utilities had expanded over the previous two decades under the Socred governments of WAC Bennett. This economic growth persisted through the NDP's first year in office, and the inexperienced Barrett cabinet increased spending to match growing revenues. However, global markets were adversely affected by the 1973 oil crisis. In B.C., the crisis precipitated an economic downturn that plagued the rookie government during the last half of its term. From substantial surpluses, NDP spending and constricted revenue flows led to deficit budgets by the conclusion of their three years in office.

The Condition and Makeup of the Mining Industry

The mining industry had grown accustomed to a regulatory framework that de-emphasized the role of government in the management of mineral resources. The WAC Bennett Socred governments had initially challenged regulatory norms, increasing taxes from 4 to 10 percent, establishing a system of mineral leases to replace the previous mineral grant system, and placing an export duty on some forms of unprocessed mineral ore. However, Bennett's populist attempts to reform the regulatory structures governing mining never broke trust with the traditional relationship, and were quickly curtailed in the mid to late 1950's. The mining industry effectively resisted these new measures by

¹⁹ Seens, "Notes on Interviews: Leo Nimsick", 7.

eroding popular public support for them, and having the export duty deemed *ultra vires* by the Supreme Court of Canada in 1960. Even before this legal defeat in 1960, Bennett's Socreds had begun to fully embrace the traditional promoter-liquidator role. While the end of the grant system was a substantial reassertion of the Crown's ownership over mineral resources, the regulatory system evolved to make tenure granting "virtually automatic"²⁰ and the mining industry enjoyed its traditional status as a critical part of the province-building agenda as the highest and best use of the land. The industry had successfully convinced the strong-willed WAC Bennett that opposing its demands was not worth the fight, and the following 15 years saw the two sides work collaboratively to develop a regulatory regime that met mining's interests. Thus, the NDP took over a mining regulatory regime that was defined by non-interventionism, and a devotion to maximization of industry profitability.

As the post-war economic boom generated high global demand, the late 1960s saw a massive expansion of BC's copper industry. By mid-decade Japanese smelters had largely exhausted local reserves and began seeking long-term supply contracts abroad. Five major open pit mines entered production in BC between 1968 and 1971, exporting almost all of their production to smelters in Japan. For Japan, BC represented a perfect supply situation as there was no substantial domestic competition for smelting capacity, shipping costs were relatively low, and Canadian banks eagerly granted loans to operators with a dedicated long-term buyer.²¹ Of the five mines that opened between 1968 and 1971, only one, the extra low-grade Lornex mine, was unable to pay off its

²⁰ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 96..

²¹ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 26.

bank loan within three years. These mines were exceptionally profitable due to the high price of copper, and generous mining-specific federal and provincial tax deductions and depletion allowances.²² Therefore, when the NDP took office, the mining industry was in a period of expansion buoyed by extravagant profits and government assistance.

The province's two mining industry groups in the 1970s were the Mining Association of British Columbia (MABC), and the BC and Yukon Chamber of Mines (BCYCM). These two associations differed in their membership. The MABC represented corporations with operating mines, while the much larger BCYCM primarily represented companies and individuals involved in the exploration sector and the supporting service industries.²³ Despite representing different groups, the cross-listing of companies and amalgamation at executive levels meant that direct human connections between these two organizations facilitated uniform, coordinated responses to government policy initiatives.²⁴

Both associations had enjoyed largely unfettered access to senior bureaucrats and elected officials throughout the WAC Bennett years, and access to NDP officials remained easy. Despite Barrett's bluster about stripping the corporate elite of their special standing, neither industry group articulated a serious inability to gain access to the

²²Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 138-139

²³ Carol Gamey, "Interview with P.R. Matthew, Managing Director of the Mining Association of B.C." October 30, 1979, 1. Available at Uvic Special Collections: CA UVICARCH AR020.; and, Carol Gamey, "Interview with R. Higgs: BC Yukon Chamber of Mines." October 31, 1979, 1. Available at Uvic Special Collections: CA UVICARCH AR020.

²⁴ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 38-39.

top levels of his government.²⁵ This open-door policy reflected what Nimsick perceived to be the Mines Department's client service approach to the mining industry.²⁶

In a 1979 interview, MABC managing director P.R. Matthew confirmed that he and his predecessors had easy access to department officials, the Deputy Minister, and even the Minister during the NDP's time in office. They were "very receptive to communications, going in and sitting down or calling them or writing letters," he noted. In 1972, if they wanted a face-to-face meeting with the NDP premier and cabinet all the MABC had to do was ask. Matthew even reflected that prior to the introduction of the MRA, "things went on pretty normal, pretty well normally."²⁷

Rick Higgs of the BCYCM expressed in 1979 that the Chamber also enjoyed easy access to government officials under the NDP, having the freedom to "go to government when the spirit moves us." The Chamber had a tradition of making the Minister of Mines their honorary president, and continued this practice when the Barrett NDP took office. Thus, despite the NDP's assertion that corporate power was excluded from the political realm during its time in office, both associations had little difficulty accessing senior levels of the government.²⁸

That said, when the NDP initiated reforms to the mining tax system in 1974, industry-state relations soured, leading them to a conflict with a well-established and determined opponent. Mining companies operating in BC were highly integrated through all phases of mining, and had expanded rapidly over the previous five years, producing

²⁵ Gamey, "Interview with P.R. Matthew", 34; and Gamey, "Interview with R. Higgs", 5-6 and 9.

²⁶ Seens, "Notes on Interviews: Leo Nimsick", 5.

²⁷ Gamey, "Interview with P.R. Matthew", 4.

²⁸ Gamey, "Interview with R. Higgs", 5.

exceptional profits on the back of high commodity prices. Strategically, the industry was represented by two strong and well-coordinated lobby groups that complemented one another by representing separate parts of the mine development process. The mining industry, then, was in a strong position to support the coordinated efforts of these long-established lobby groups against an NDP government that began to face financial challenges in 1974.

1972-1973: Developing the Mineral Royalty Act

The *Mineral Royalty Act* (MRA) addressed the NDP's primary mining reform objective, the extraction of a fairer share of mining returns for the people of BC. The development of a mineral royalty had been a common policy refrain for Barrett during the 1972 campaign, in which he "accused the existing government of giving away the province's minerals without collecting a royalty or bargaining for secondary industry."²⁹ Jeremy Wilson has related his treatment of the forest sector to the MRA, noting that under the royalty system, benefit sharing between industry and the public more strongly asserted the latter's ownership of mineral resources without demanding that government create its own mining monopoly. Indeed, government expressed little interest in getting into the mining game, focusing instead on ensuring that it received a fair financial share as owner of the resource.³⁰

The MRA came before the legislature on February 19 1974, and passed third reading in late June that same year. The ensuing onslaught of condemnation from media, opposition politicians, and industry was unrelenting for the remainder of the NDP's term.

²⁹ Karen Jackson, "Ideology of the NDP in BC: Manifest socialism 1966, 1969, 1972 election campaigns," *BC Project Working Papers*, December 1980. 67-68

³⁰ Wilson, *Talk and Log: Wilderness Politics in British Columbia*,. 250-256.

Unlike many other parts of the NDP's broad policy reform agenda, the Bill Bennett Socred government that succeeded Barrett's NDP fully repealed the MRA at the first opportunity in 1976, transitioning back to a profit tax from the NDP royalty.³¹

The critical difference between industry and government at the policy level was over the complicated economic implications of replacing a profit tax with a royalty. A royalty takes a set portion of the assessed value of a resource, regardless of the profit earned by the company. Conversely, a profit tax returns a portion of a company's profits to the province; when a company earns no profit, the province receives no revenue. This royalty approach aligned with the NDP cabinet's general view that government is the owner of natural resources on behalf of the citizenry. For industry this meant that their costs grew with the rate of production, and not with their relative efficiency or market profitability. Under a profit tax the government's ownership of the resource limited only the degree of an operator's profitability, whereas the new royalty imposed a per-unit cost, potentially taking a marginal mine from profitable to unprofitable. This approach also meant that companies would not be able to hide revenue or falsely inflate costs to lower their tax burden. A royalty approach thus does not put the public's share in the hands of the relative efficiency or integrity of each company.

During initial discussions in late 1972, cabinet agreed on the premise of a royalty-based revenue system rather than the existing profit tax on mining. Despite this, disagreement on the details of the proposed royalty delayed the bill for more than a year. While the inner cabinet believed that mining corporations were hiding profits, Nimsick and McMynn recognized the more nuanced fiscal realities facing mining corporations,

³¹ See Chapter 2 of this thesis for more information

including mining's inherently cyclical nature, which often led to years of depressed prices and marginal profits.³² This conflict pitted Nimsick and his deputy, McMynn, against the bluster and bravado of Williams and Barrett.³³

At issue was the question of what represented a fair share for British Columbians. The eventual bill created a basic royalty set at 5 percent of a government-assessed market value of a specific mineral (based on a 5 year average), along with an incremental royalty set at 50 percent of the portion of the sale value above the assessed value, where the sale value exceeded the assessed value by more than 20 percent.³⁴ Government established the market value of minerals for the purpose of calculating the mineral royalty, giving the NDP tremendous control over mining sector revenues. If the government inflated the assessed value, its revenue would exceed 5 percent of actual market valuation; however, if it deflated the assessed market value, it could earn additional revenue through the incremental royalty.

The internal NDP cabinet debate over the royalty focused first on the establishment of the basic royalty rate, and second on whether there should be an incremental royalty at all. Initially, Nimsick and McMynn opposed the incremental royalty, while Barrett and Williams insisted upon its inclusion.³⁵ As Nimsick recollected in 1981, his initial conversations with Barrett and Williams were less than productive. Williams started by asserting that a 20 percent basic royalty, and a 100 percent incremental royalty would be needed to ensure a "fair share" for British Columbians. In

³² Seens, "Transcript of Interview: John McMynn" 39.

³³ Seens, "Notes on Interviews: Leo Nimsick", 2-4.

³⁴ Kavic, *The 1200 Days: A Shattered Dream: Dave Barrett and the NDP in BC*, 112.

³⁵ Seens, "Transcript of Interview: John McMynn" 28.

1981 Nimsick reflected on this initial proposal, describing it simply as “stupid.”³⁶

McMynn also expressed substantial frustration with the perceived absurdity of Williams' demands.³⁷ Summarizing this exchange, and the others that would follow, Nimsick recalled:

You see I wanted the 5% royalty and let's leave it at that, but no. One of them [in other interviews identified as Williams] insisted that we have 100% escalating royalty. Well, that just wouldn't work at all but finally I got them down to 20% and then I recommended later that it be abolished.³⁸

Opposing demands for an incremental royalty, and having discussed such issues with industry, Nimsick and McMynn proposed a revenue system that recognized the need for a reasonable return to capital investors, one with no incremental royalty. Nimsick reflected in 1981 that industry had accepted his royalty plan so long as it did not include an incremental royalty.³⁹ However, interviews with senior mining industry executives in the late 1970's suggest that no such consensus existed.⁴⁰

Nimsick proceeded to present the 5 percent basic royalty proposal without any incremental royalty to cabinet. After cabinet's review, the proposal was then sent to the NDP caucus for open criticism; none came. Presuming that this meant the 5 percent option would become a new government Bill, Nimsick was shocked when a Toronto-based mining spokesperson called to discuss the inner cabinet's decision to reject his proposal. This small cadre of Barrett's closest advisors, apparently, had acted behind

³⁶ Seens, “Notes on Interviews: Leo Nimsick”, 2.

³⁷ Seens, “Transcript of Interview: John McMynn” 28.

³⁸ Seens, “Transcript of Interview: Leo Nimsick”, 38.

³⁹ Seens, “Notes on Interviews: Leo Nimsick”, 8.

⁴⁰ Gamey, “Interview with P.R. Matthew”; and Gamey, “Interview with R. Higgs”.

Nimsick's back in making a delayed decision to reject his proposal.⁴¹ This was just one incident that would strain the relationship between Williams and Nimsick. Thus, it was not until early 1974 that the MRA was ready to be presented to the legislature as Bill 31, complete with an incremental royalty.

1974: The Battle Joined

In June of 1974, Clive Cocking wrote a review of Barrett's first two years in office.

Comically subtitled "Some Funny Things Happened on the Way to Revolution," the article succinctly told the story of the mining sector's vehement response to increased government regulation of its activities. Discussing Barrett's relationship with the natural resource sector, Cocking wrote:

Except for mining, the main resource industries appear resigned to the new situation and to the need to pay more... The mining industry, however, mounts frantic opposition to imposition of BC's first major mine royalty scheme.⁴²

Cocking's observation aligns directly with Deputy Minister McMynn's reflections on the "nearly hysterical" condition of the mining industry in 1974, fanned by print media coverage that displayed a consistent and pronounced bias against the NDP.⁴³

Complete with an incremental royalty of 50 percent, the MRA was presented on first reading as Bill 31 on February 19, 1974. Major figures in the mining industry responded with immediate condemnation. "On the whole it looks like a disaster for the industry," declared MABC President J. Douglas Little. "We hadn't expected the excess

⁴¹ Seens, "Transcript of Interview: Leo Nimsick", 39.

⁴² Clive Cocking, "The Triumphs and Frustrations of Dave Barrett: In BC Some Funny Things Happened on the Way to Revolution" *Saturday Night* (June 1974), 19.

⁴³ Seens, "Transcript of Interview: John McMynn" 24.; and, Bruce Mackenzie, "The press and the British Columbia Provincial Elections of 1972 and 1975: a study of bias in newspaper reporting" *BC Project Working Papers* March 15, 1979, 10. Available at Uvic Special Collections: CA UVICARCH AR020.

profits tax. We were not consulted on this.”⁴⁴ Executives from major mining company Cominco referred to the bill as onerous and threatening.⁴⁵ The BCYCM predicted stagnation and decline across all sectors of the mineral industry.⁴⁶ Even the head of the Vancouver Stock Exchange chimed in, affirming that Bill 31 would prohibit any new mine project from progressing to full development.⁴⁷

Amidst the initial flurry of criticism, a few investors and stock traders offered more tempered initial comments. Peter Brown, President of Canarim Investment Corporation, concluded that mines with marginal deposits would be affected, but higher grade mines would be able to acquire capital investment to continue with production and expansion. Robert Fay, President of Carlisle, Douglas & Company, remarked that “the proposals are in line with what had been strongly rumored.” He went on to predict that the bill would be accepted begrudgingly: “I have been talking to some mining people and they feel that the royalties are something they can live with.”⁴⁸ It is unclear whether these two investors’ opinions reflected the unspoken view of the mining industry, or their divergent views rested on a misunderstanding of the incremental royalty. Regardless, the industry showed its ability to bring mining capital into line when Peter Brown corrected his comments to match broader industry condemnation the very next day.⁴⁹

⁴⁴ "Mining royalties called a disaster," *Vancouver Province*, February 20, 1974, 19-20.

⁴⁵ "Mine Leaders hope for amended bill," *Vancouver Province*, February 21, 1974, 27.

⁴⁶ "Mining royalties called a 'disaster'", 19-20.

⁴⁷ Patric Durant, "Mining Stocks dive as investors bail out," *Vancouver Province*, February 21, 1974, 27.

⁴⁸ "Brokers less worried," *Vancouver Province*, February 20, 1974, 20.

⁴⁹ Durant, "Mining Stocks dive as investors bail out," 27.

It would be 33 working days before the MABC and BCYCM created a jointly-funded campaign against the MRA under the banner of “The Mining Industry of BC.”⁵⁰ In the interim, the industry was still able to craft 23 media-reportable events. For Leo Nimsick and the NDP this meant that on two days out of three they endured negative media reports specifically targeting the MRA.

Spring: A Season of Discontent

From the day of the MRA’s presentation to the legislature the mining industry controlled messaging and forged a free-enterprise coalition against the bill. Over the next three months, industry leaders expanded this coalition to include unionized workers, regional and provincial business associations, academics, and opposition politicians. In early April, the mining industry formalized its coalition into a centrally funded lobbying entity, “The Mining Industry of British Columbia,” with the singular goal of preventing or, if required, repealing the MRA.⁵¹

From the outset, the two mining industry lobby groups mobilized their membership for an uncompromising anti-MRA campaign. Within one week of the MRA’s first reading, both the MABC and BCYCM held open meetings of their membership to rally support against the bill. The BCYCM called an emergency session for February 21, while the MABC had a general meeting the next day.⁵² At this early stage, Bill 31’s impacts remained a matter of conjecture, due to its reliance on regulations

⁵⁰ Payne, “Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry”, 242.

⁵¹ Payne, “Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry”, 242.

⁵² Payne, “Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry”, 206.

to be developed in the future and the exercise of the Minister's expanded discretionary powers. Such ambiguities allowed the mining industry to publicly articulate and rally support around worst-case scenario predictions, while also inhibiting government's ability to formulate compelling fact-based retorts.⁵³ The MABC, for example, released royalty and taxation cost estimates that were three and a half times greater than those offered by the NDP.⁵⁴ The BCYCM was blunt in articulating their belief that the MRA would have widespread negative effects on the mining industry and the entire BC economy:

by one legislative stroke the British Columbia government has made a minimum of a billion tons of ore waste...the end result of this legislation will be tremendous unemployment and a drop in the well-being of the people of BC... it will cut down the life of the industry in a startling way⁵⁵

The late February introduction of the bill was politically disadvantageous timing for the NDP, coinciding with the mining companies' Annual General Meetings (AGMs) held every spring. On March 11, 1974, a BCYCM mass meeting in Vancouver saw 1,500 miners, mine owners, and small operators rail against the MRA amidst speculation that the legislation was a strategic maneuver by the NDP to decimate the mining industry in advance of provincialization.⁵⁶ Interviews conducted in the early 1980s with leading government actors indicate no such motivation,⁵⁷ but some industry leaders were genuinely worried about an NDP provincialization agenda.⁵⁸

⁵³ Seens, "Awesome Sweeping Powers: the land commission act, 1973 the mineral royalties act, 1974 and other blank cheque legislation: the NDP years 1972-1975", 26.

⁵⁴ Bob McMurray, "A new Set of Numbers," *Vancouver Province*, February 21, 1974, 27.

⁵⁵ "Mining royalties called a 'disaster'", 19-20.

⁵⁶ Bob Shaw, "miners take gloves off in royalties fight," *Vancouver Province* March 12, 1974. 16.

⁵⁷ Seens, "Transcript of Interview: Leo Nimsick", 34-35.

⁵⁸ Gamey, "Interview with R. Higgs", 14.

The rhetoric reached its March peak when the BCYCM chair turned the AGM for Gibraltar Mines into a protest event, suggesting that mines shut down production in response to the MRA.⁵⁹ Although no such capital strike affected producing mines, Granby threatened to discontinue advanced exploration on its Huckleberry property.⁶⁰ A Granduc mining company official claimed that “as Bill 31 is now written, Granduc never could have been put into production.”⁶¹ At the end of March, Newmont Resources announced that it would cease exploration activities in BC and posited that not a single mine would be in existence in BC if the MRA had been in place prior to commencement of their operations.⁶² On the first of April, the Valley Gold project was put on hold, officials citing taxation uncertainties as one aspect of their decision.⁶³ The following year witnessed a dramatic drop in exploration expenditures; however, given the corresponding drop in the global metal market, it is unclear if politics or market economics directed corporate decision-making. The mining industry, nevertheless, was not afraid of adding fears of capital flight, or even a capital strike, to the public debate of the MRA.

Unionized workers, some of the core supporters of the NDP, were one early target of the anti-MRA campaign as academic supporters of the mining industry, mine bosses, and opposition MLAs aimed to build working-class support for their cause. University of British Columbia (UBC) mining engineering Professor Dr. J.B. Evans contacted the United Steelworkers of America (USWA), including them in discussions on a report he

⁵⁹ Bob Shaw, "New royalties bill attacked: Gibraltar holds a protest meeting," *Vancouver Province*, March 22, 1974, 27.

⁶⁰ "New royalty plan proposed," *Vancouver Province*, March 23, 1974, 20. Note that it would not be until the late 1990's that the Huckleberry project would finally move to production. This occurred during the Harcourt-Clark NDP governments.

⁶¹ Len Taylor, "Mining town joins royalty fight," *Vancouver Province*, March 28, 1974, 22.

⁶² "Mine Projects Threatened," *Vancouver Sun*, March 28, 1974, 34.

⁶³ "Bill 31 may make orebodies uneconomic for Bethlehem," *Vancouver Sun*, May 23, 1974, 38.

wrote on the MRA's ruinous economic impacts.⁶⁴ Cominco President Gerald Hobbs warned employees that the MRA would reduce the money available "for your wages, salaries, pensions, and the creation of new operations."⁶⁵ On March 5, newly-minted Socred leader Bill Bennett contacted the USWA to ascertain their view on the legislation.⁶⁶ It is unclear how successful any of these envoys were at gaining local support or building unionized workers' trust, but by the end of March the USWA was sufficiently concerned to call a special meeting in Kamloops to discuss the MRA.⁶⁷

Nimsick remained silent amid the furor until the end of March, when he addressed 60 USWA delegates at their special meeting in Kamloops. Despite his personal misgivings surrounding the incremental royalty, Nimsick argued that the MRA was a reassertion of public ownership over resources and represented the unseating of the corporate elite. Swayed by his populist rhetoric, the USWA endorsed the MRA.⁶⁸

Immediately following the introduction of the MRA, the mining industry aligned various secondary and tertiary interests to lobby government. The Vancouver Board of Trade, the Investment Dealers Association, and the Canadian Bar Association (CBA) all contributed directly to the fight against the MRA. The CBA issued a public brief that questioned the legality of the government's expanded discretionary powers.⁶⁹ The

⁶⁴ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 250-251.

⁶⁵ "Mining bill denounced," *Vancouver Province*, April 2, 1974, 15.

⁶⁶ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 250-251.

⁶⁷ "Mining kings are off throne after 100-year rule-Nimsick," *Vancouver Province*, March 25, 1974, 38.

⁶⁸ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 253-254.

⁶⁹ Canadian Bar Association "Brief by the taxation section of the Canadian Bar Association to the Honourable Leo Nimsick, Minister of Mines and Petroleum Resources for British Columbia, on the Mineral Royalties Act" Canadian Bar Association Brief, March 29, 1974. 2.

Investment Dealers Association warned Barrett in early March that the MRA represented a punitive action against capital and would dissuade potential investors.⁷⁰

The next week, Rick Higgs recalled, the BCYCM sent a "...bus load of people over to Victoria so that when a formal delegation was meeting with the cabinet of the government, the remainder would go and meet with individual members of the House."⁷¹ Although warmly received by cabinet, 1979 interviews indicate that the mining industry representatives felt their concerns were never accepted by NDP politicians.⁷² The core issues presented by the MABC and BCYCM rested on premises tied to the mining industry's uniqueness: its high risk nature, the unpredictability of exploration expenditures, and the inherent diminishing value of mineral reserves once mining operations begin, often referred to as the depletion consideration.⁷³ Industry depicted itself as being in turmoil, with just 8 percent returns and shrinking exploration budgets that threatened its long-term viability.⁷⁴

As mentioned, industry representatives also articulated their lingering fears that government was developing discretionary powers and applying heightened benefit retention in order to prepare the sector for provincialization. When asked about this in the early 1980's Nimsick flatly rejected that provincialization was ever considered.⁷⁵

However, there was some basis for industry's concern. Delegates at the 1971 NDP

⁷⁰ "Investment men warn of end to new mines," *Vancouver Province*, March 9, 1974, 18.

⁷¹ Gamey, "Interview with R. Higgs", 7.

⁷² Gamey, "Interview with R. Higgs", 10; and Gamey, "Interview with P.R. Matthew", 4.

⁷³ "Gov't urged to kill royalties," *Vancouver Province*, March 15, 1974, 20. Depletion Consideration: The understanding that the value of a mineral deposit is constantly shrinking, meaning that the assets of the company are diminishing in turn, and dividends must be paid out to shareholders to compensate for the loss

⁷⁴ "Gov't urged to kill royalties," *Vancouver Province*, March 15, 1974, 20.

⁷⁵ Seens, "Transcript of Interview: Leo Nimsick", 35-36.

convention had explicitly discussed nationalization of all polluting industries⁷⁶ and the mandatory acquisition of an equity stake in all mines.⁷⁷ During early 1972 meetings with industry executives Barrett made clear that financial assistance to the mining industry was contingent upon his government's acquisition of an equity stake in the operations.⁷⁸ Suspicion of NDP intentions was not entirely illegitimate as the mining industry may also have been aware of an internal NDP document (likely written by Williams) later acquired by *BC Project* researchers that specifically referenced provincialization of the mining industry. The document called for devaluation of resource companies prior to provincialization, stating that:

The acquisition of privately owned corporations in the resource fields prior to major resource tax changes would be a mistake because the market price of those companies would be grossly inflated because of the wide range of tax holidays they presently enjoy. Any acquisition of those corporations prior to substantial tax change would be a mis-allocation of public funds.⁷⁹

This turbulent spring also saw the industry display its ability to undermine the NDP's electoral strength in blue collar resource-dependent communities. On May 6, opposition MLAs from both the Socred and Liberal parties presented anti-MRA petitions to the house. Liberal Gordon Gibson presented a petition signed by 4,500 residents of the southern interior and Kootenay Boundary regions demanding withdrawal of the MRA pending further study of the entire mining taxation issue. Socred Alex Fraser presented a second petition, carrying the names of 250 employees (about 40 percent of the workforce) of the Gibraltar copper mine east of McClure Lakes. This petition called for

⁷⁶ "Waffles High on the Menu for NDP Meeting," *Vancouver Province*, May 28, 1971, 31.

⁷⁷ "Background & 'Point' Paper: Natural Resources," 2. Available at Uvic Special Collections: CA UVICARCH AR020.

⁷⁸ Seens, "Transcript of Interview: John McMynn" 41.

⁷⁹ "Background & 'Point' Paper: Natural Resources" 2.

“careful consideration” and “thorough study” of the impacts on jobs at Gibraltar before enactment of MRA.⁸⁰ Another petition from the northwest mining community of Stewart, carrying 1,000 names, was organized by an International Union of Operating Engineers member who worked at the nearby Granduc mine.⁸¹

Just two months after the MRA’s first reading, the NDP’s ability to build support among blue collar unionists was waning. This represented both an electoral and existential problem for a party that relied heavily on working class votes, and tied its identity to the struggles of industrial workers and the union movement. Without the rural blue collar vote the NDP were not likely to win re-election. However, the NDP’s legislative majority ensured that the MRA passed on June 14, 1974. Anticipating the bill’s passage, anti-MRA protesters planned a demonstration on the lawn of the provincial legislature in Victoria. The precise origin of the demonstration remains unclear, but the “Save Our Jobs Committee,” a self-professed grassroots organization that claimed to be unaffiliated with the MABC or BCYCM, organized the event.⁸² However, interviews with leading NDP figures of the time convey a more conspiratorial role for the mining industry and allies in the emerging Majority Movement⁸³ in organizing and funding the “Save our Jobs Committee.”⁸⁴

⁸⁰ British Columbia Legislative Assembly, *Debates*, May 6, 1974, 2827.

⁸¹ Allan White, "1,000 Stewart area residents protest mine royalty bill," *Vancouver Province*, April 4, 1974, 49.

⁸² "Pop Can Misses Nimsick During Mining Act Protest," *Vancouver Sun*, June 21, 1974, 1-2.

⁸³ Majority Movement: was a group aiming to unify the free enterprise vote by aligning the Progressive Conservative, Liberal and Socred parties in order to avoid an NDP electoral Victory. See: Kavic, *The 1200 Days: A Shattered Dream: Dave Barrett and the NDP in BC*, 215-218.

⁸⁴ Seens, “Transcript of Interview: John McMynn”, 54.

The demonstration, held just two days after the MRA passed, involved an estimated 350 protesters, just 5 percent of the 7000 protesters that organizers had predicted. Despite the small turnout, the atmosphere of the protest was quite heated. Mining industry leaders recounted an emotional crowd; McMynn recalled a rabble of abuse-hurling hooligans that came dangerously close to becoming a destructive mob. Nimsick attempted to address the crowd, while angry miners gave Nazi salutes to him and others hurled pop cans.⁸⁵ When one of Barrett's administrative assistants was physically confronted by a protestor, McMynn approached the head of the BCYCM and demanded that he take some action to calm the crowd. The industry men declined to act, denying any role in organizing the protest. McMynn promised to hold them individually responsible for any disorder.⁸⁶

In his autobiography, Barrett described the whole event as a poorly attended industry stunt that was not at all indicative of public sentiment.⁸⁷ Nimsick too questioned whether there was any public support behind the industry's massive media campaign.⁸⁸ Despite the underwhelming display of support on the lawns of the legislature, a troubled industry continued to exert pressure on government as the price of metals fell over the summer and fall of 1974.

Undeterred by the arguments of the mining industry, and despite the concerns of McMynn and Nimsick, the NDP cabinet remained committed to the MRA. An unsympathetic McMynn explained that the NDP "felt their voting power came from

⁸⁵ "Pop Can Misses Nimsick During Mining Act Protest," 1.; Seens, "Transcript of Interview: John McMynn" 54.

⁸⁶ Seens, "Transcript of Interview: John McMynn" 54.

⁸⁷ Barrett, *Barrett: A Passionate Political Life*, 91.

⁸⁸ "Pop Can Misses Nimsick During Mining Act Protest," 2.

labour and anything they did to milk the big companies would find favour with labour and so who cares.”⁸⁹ As for the Premier, McMynn recalls warning Barrett during an early discussion of mineral royalty options that a 20 percent royalty on gross production would induce widespread mine closures, to which Barrett allegedly responded “what’s a couple thousand lousy jobs.”⁹⁰ Convinced that there was “skullduggery amongst the big companies” in hiding profits, and unwilling to accept industry’s claims that the mining sector was truly as fragile as claimed, Barrett and the inner cabinet were in no mood to compromise on the MRA at this time; the goal of government remained to take a bigger share, and play a bigger part, in the mining sector.⁹¹

Fall and Winter: Uncompromising in the face of compromise

After the heated protests of June, the summer of 1974 brought a period of relative calm on the issue of mining taxation. The formal legislative debate on the bill afforded the industry opportunities to shape media coverage and political pronouncements, but as time passed anti-MRA forces were left to develop their own media-worthy events. The NDP’s respite would not last however; as fall turned to winter, the mining sector began to contract and government panicked coming up with a response.⁹²

Throughout the late summer and fall many mining operations announced reductions in their exploration budgets, most claiming that the MRA was at least partially to blame in making BC unappealing to investors.⁹³ Although the MRA may have had a

⁸⁹ Seens, “Transcript of Interview: John McMynn” 53.

⁹⁰ Seens, “Transcript of Interview: John McMynn” 28-39.

⁹¹ Seens, “Transcript of Interview: John McMynn” 39.

⁹² Seens, “Notes on Interviews: Leo Nimsick”, 9.

⁹³ Payne, “Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry”, 297-298.

destabilizing effect, market forces also contributed to corporate decision-making. In the spring, the global price of copper had hovered around \$1.30 per pound. Four months later, it had collapsed to just 55 cents. At the foundation of the industry's attacks on the MRA was its belief that, as a high-risk industry, mining required periodic high-profit opportunities to survive inherent boom and bust cycles. The NDP inner cabinet never seemed to accept this principle, but were suddenly witness to its extremes.

In response to vehement industry opposition, curtailed mining sector investment, and the sudden price collapse of BC's most important mineral, Nimsick reached out to industry. On September 7 he intimated cabinet's willingness to consider changing the nature of the MRA and publicly welcomed a renewed dialogue with industry. Nimsick had opposed the incremental royalty from the outset and now wanted to work with industry to mitigate its adverse effects. Believing that he had the tacit support of the industry for a 5 percent royalty back in 1973, his proposed measures focused on the incremental royalty. The adjustments to the MRA offered by Nimsick only applied to new mines in their first three years of operations, and did not exclude them from potentially paying the incremental royalty, but rather increased the threshold below which they would only pay the 5 percent basic royalty.⁹⁴

On September 11, the industry responded to Nimsick's overtures. In a strategic maneuver, the industry ignored the incremental royalty and began attacking the basic 5 percent royalty on the basis that it would prohibit new mines from opening. P.R. Mathew, then Secretary-Manager of the MABC, declared that these discussions did "not deal with the main problem, the basic royalty."⁹⁵ By simply ignoring Nimsick's

⁹⁴"Mine royalty easing hinted," *Vancouver Province*, September 7, 1974, 1.

⁹⁵"New look at royalty not enough," *Vancouver Province*, September 11, 1974, 20.

willingness to engage on the incremental royalty and striking instead at the basic royalty, industry redrafted the scope of engagement and put the unsuspecting Nimsick and the NDP on the defensive.

Barrett's cabinet was unwilling to abandon its royalty system, which expressed their foundational thinking about capitalism and public ownership of natural resources. In late September, however, the NDP unveiled adjustments which would delay the application of the incremental royalty for new mines.⁹⁶ Nimsick and the NDP characterized this action as a substantial compromise; industry cast it as a minor placation. Barrett, meanwhile, publicly reiterated his belief that the people of BC were being fleeced by mining corporations, stating his shame that "we're still charging less in taxes and royalties on minerals than in Tory Ontario." He also rejected calls for a Royal Commission on mineral industry taxation because "when you ain't payin' nothin' you're getting away with murder."⁹⁷

Despite the incremental royalty adjustments, the industry continued to contract under the weight of a global downturn in commodity prices. In November, the longest-operating copper mine in BC announced its imminent closure. The Britannia copper mine on Howe Sound was a high grade, low transport-cost operation, presumably the type of mine most resistant to the negative effects of the MRA. Although the mine's director emphasised depressed global prices and a depleted reserve as factors in the decision, this closure put greater pressure on the NDP's mining policy.⁹⁸

⁹⁶ "Elliott sees mining on disaster course," *Vancouver Province*, September 27, 1974, 27.

⁹⁷ Alex Young, "Sacred promise mocked," *Vancouver Province*, October 11, 1974, 9.

⁹⁸ Bob Shaw, "Falling copper prices cited: Britannia mine to close Nov. 1," *Vancouver Province*, October 8, 1974, 16.

Autumn 1974 also saw the finances of the Jordan River copper mine on Vancouver Island begin to collapse. With no new source of capital available, the mine shut down and its unionized workers found themselves unemployed. Jordan River Mine Manager Sydney Fowlds blamed the MRA for the mine's closure. The NDP government, he declared, "seems to want to put people on welfare rather than letting them work." The closure also presented the NDP with a labour relations issue, as the USWA local defied their union headquarters and picketed the legislature.⁹⁹ Future Socred Minister of Mines, and recently defeated federal Liberal Jack Davis echoed this simplistic anti-MRA refrain in the *Vancouver Sun*, writing that "The worst thing that a royalty does from an over-all community wide point of view is to turn good ore into rock."¹⁰⁰ The NDP's minor concessions had done nothing to keep the Jordan River mine open or counter Davis's claims that its policies were converting job-producing ore into dole-inducing rock.

In December, a MABC-led court challenge sought to overturn the MRA and other parts of the NDP's mining reform agenda. The suit argued that the MRA was *ultra vires*, unconstitutional on the grounds of being outside the authority of the provincial government.¹⁰¹ The court challenge was an opportunity to maintain opposition momentum, and a proven strategy, used in the 1950s to turn back then Socred Premier WAC Bennett's attempts to change the regulatory structures governing mineral exports.¹⁰²

⁹⁹ "Mine head blames Bill 31 for closing," *Vancouver Sun*, December 5, 1974, 1-2.

¹⁰⁰ Jack Davis, "Royalties, Export Tax Bad-Davies," *Vancouver Province*, Oct. 21, 1974, 25.

¹⁰¹ Len Taylor, "mines take royalty fight to court," *Vancouver Province*, December, 21, 1974, 1 and 9.

¹⁰² Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 82-98.

The end of 1974 brought a flurry of media reports on the crisis of the mining sector, most articles attributing the downturn to the destabilizing effect of the MRA.¹⁰³ A December 12 “Mining Industry of BC” advertisement directed at Nimsick bluntly declared that BC’s “second largest industry was dying.”¹⁰⁴ The advertisement also challenged Barrett’s assertions that the industry was not paying its fair share, claiming that mining companies paid six times more tax than the NDP government admitted. The disparity came from a difference in focus; whereas the government tallied only the mining tax, industry included all taxation, direct or indirect, on its holdings and operations. That debate aside, by the end of 1974 it was clear that the mining industry was in trouble, and the NDP’s new relationship with the mining industry had become more of a political liability than a benefit.

1975: A Not So Orderly Withdrawal

In early 1975 the NDP faced a legal challenge, an industry in rapid decline, and a generally depressed economic outlook. Recognizing these challenges, the mines department began investigating less onerous ways of generating revenue from the industry, going so far as to consider a return to a profit tax. However, Nimsick continued to favour a basic royalty over a purely profit tax structure. Believing that it was the incremental royalty that industry would never accept he twice unsuccessfully attempted

¹⁰³ "B.C. mining industry 'on way to a crash'," *Vancouver Province*, November 18, 1974, 24.; Bob Shaw, "It's all downhill now: Mining men recall better days," *Vancouver Province*, November 28, 1974, 20.; Len Taylor, "Quebec hope vs. B.C. gloom," *Vancouver Province*, December 4, 1974, 16.; and, Bob Shaw, "Despair, frustration haunt mining men," *Vancouver Province*, December 4, 1974, 16.

¹⁰⁴ Mining Industry of British Columbia Advertisement, *Daily colonist* December 12, 1974. P. 10.

to gain cabinet approval for a compromise that would have replaced the incremental royalty with a profit tax, while retaining the basic royalty.¹⁰⁵

The NDP also faced opposition from Pierre Elliot Trudeau's Liberal government in Ottawa. Re-elected with a new majority government in 1974, the Trudeau administration excluded provincial mineral royalties from deductions against the federal profit tax. Mines operating in provinces that employed mining profit taxes were permitted to deduct provincial tax from their federal profit tax obligations. Since companies operating under a royalty system did not qualify, this substantially increased the overall tax burden on BC mining companies. The BCYCM's Rick Higgs described the position of the mining industry in this federal-provincial conflict as being "the meat in the sandwich."¹⁰⁶

Failing in its efforts to sway federal taxation policy, Barrett's NDP provided further tax concessions to the mining industry in its 1975 budget. Tabled on February 28, the provincial budget included a rebate for the excess tax companies faced because of the federal disallowance of royalty deductibility. Unimpressed, the industry resumed its attack on the basic royalty, noting that "there is nothing in the budget that will encourage a mine to go into production."¹⁰⁷ The industry was continuing its strategy of responding to concessions by pivoting toward the wholesale repeal of the NDP's mining policy.

Over the course of 1975, while the NDP's position on its mining reforms softened, Nimsick's relationship with Barrett and his closest cabinet colleagues deteriorated. As the inner cabinet adopted a bunker politics mentality in the summer and

¹⁰⁵ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 317 and 346.

¹⁰⁶ Gamey, "Interview with R. Higgs", 11.

¹⁰⁷ Bob Shaw, "Mine leaders cold," *Vancouver Province*, March 1, 1975, 18.

fall of 1975, political opportunism and a panicked centralization of decision-making took hold.

Summer: The Dream of Secondary Industry and the Exit of Leo Nimsick

Throughout the spring and summer of 1975 Leo Nimsick became increasingly estranged from the rest of cabinet, convinced that Williams sought to isolate him from major policy decisions.¹⁰⁸ Core to this suspicion was the issue of developing a secondary mineral processing industry within BC. BC governments had tried without success to establish a world-scale smelting industry since joining Confederation, with an initial focus on iron smelting as a means of achieving a modern industrial economy.¹⁰⁹ By 1975, BC's smelting capacity remained limited; the Kitimat aluminum smelter was world-scale, but relied on bauxite shipped to the smelter from overseas, and Cominco's lead/zinc smelter in Trail would never support a tertiary manufacturing industry in the way that iron or copper smelters could. During the early 1970s, the desire for secondary processing of copper was driven by the substantial increase in demand and a desire to halt the export of raw concentrate to increase both employment and tax revenue.

In 1972 Barrett and Williams had turned away from previous Socred interest in subsidizing a Cominco copper smelter proposal.¹¹⁰ That decision rested on the belief that government should not participate in "corporate welfare," and that any support for industry must be accompanied by an equity share in the operation. The NDP had initiated a Copper Task Force in 1974 to determine the best approach to developing a copper smelting industry in BC. The report, released publicly in July 1975,

¹⁰⁸Seens, "Transcript of Interview: Leo Nimsick", 58-59..

¹⁰⁹ G.W. Taylor, *Mining: The History of Mining in British Columbia* (Saanichton: Hancock House, 1978).

¹¹⁰ Seens, "Notes on Interviews: Leo Nimsick", 12.

recommended the development of two “world-scale” smelter facilities, one in the southern interior and one in the northwest. The report did not bind government to any specific action, but it did lead the inner cabinet to more seriously entertain granting a government subsidy to mining companies willing to invest in smelter construction.

By the fall of 1975, with the mining industry suffering from a downturn and the provincial coffers running dry, the inner cabinet warmed to the idea of subsidizing a secondary processing industry. That September Barrett made a public overture, proposing that if the mining industry got serious about secondary and tertiary processing, the NDP might consider giving the royalty system a second look.¹¹¹ Minister of Economic Development Gary Lauk took the lead on negotiating a smelter subsidy; Nimsick was sidelined, the matter being viewed as an economic development, not a mining issue. Lauk was everything that Nimsick was not: he was young, a member of Barrett’s inner cabinet, economically centrist, and entirely inexperienced in mining. Lauk had also gone to university with a key contact at Teck Corporation Limited (Teck), with whom he would negotiate a subsidy to entice a smelter’s construction at the Afton mine complex west of Kamloops.¹¹²

Both McMynn and Nimsick were opposed to the proposal, believing the Afton mine to be mid-life with insufficient copper reserves to supply the smelter for the long term.¹¹³ In addition, they recognized that as the chemical composition of the copper reserves at Afton was dissimilar to most deposits in the province, the smelter would have to be retrofitted to process copper sourced from other mines. Reflecting on this time in

¹¹¹ Bill Bachop, “Barrett offers deal with mining industry” Vancouver Sun September 17, 1975. 1.

¹¹² Seens, “Notes on Interviews: Leo Nimsick”, 12.

¹¹³ Seens, “Notes on Interviews: Leo Nimsick”, 12.

1981, Nimsick tied his objection to the subsidy to the earlier refusal of the similar Cominco proposal. In Nimsick's view, the inner cabinet's change of opinion on this issue was driven by political expediency, rather than principle.¹¹⁴

At an industry conference in late September 1975, a shocked Nimsick learned that Barrett and Lauk had struck a deal with Teck for the Afton smelter, involving both a lucrative subsidy and a small equity stake for government. Nimsick called Victoria, enraged at being cut out of the decision-making process. He managed to garner a commitment from Lauk and Barrett not to go through with the deal.¹¹⁵ In Nimsick's opinion it was a bad deal, as government was to spend more on subsidies than it would have for the Cominco deal in 1972, while getting a smaller and more poorly suited smelter in return.¹¹⁶

Outraged at his exclusion from a major policy initiative that concerned his portfolio, Nimsick drafted a formal letter of resignation.¹¹⁷ This letter was ultimately unnecessary, as within two weeks a cabinet shuffle demoted the former Mines Minister.¹¹⁸ According to Nimsick, only his threats to resign from caucus led government to provide him the tourism portfolio. Initial plans would have removed him from the cabinet altogether.¹¹⁹ After 27 years of service as an MLA and three tumultuous years working on a royalty system that he had opposed from the outset, Nimsick was out.

¹¹⁴ Seens, "Transcript of Interview: Leo Nimsick", 60.

¹¹⁵ Seens, "Transcript of Interview: Leo Nimsick", 60.

¹¹⁶ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 333.

¹¹⁷ Seens, "Transcript of Interview: Leo Nimsick", 60.

¹¹⁸ "NDP, Social Credit square off in BC". *Leader-Post*, Regina, Nov. 2, 1975. 2.

¹¹⁹ Seens, "Transcript of Interview: Leo Nimsick", 60.

Lauk, succeeding Nimsick as Minister of Mines, took just three weeks to announce a deal with Teck to construct a smelter at Afton. After telling Nimsick that the Afton deal would not go through, the deal was set. An economic centrist was now in charge of the MRA, and about to go into the business of promoting the mining industry with subsidies.

Opening on March 23 1978, the smelter at the Afton mine site was neither world-scale, nor successful in spurring the development of a copper manufacturing industry. While the Afton mine operated until 1991, the smelter operated intermittently for just five years, closing for good in 1983, after two temporary closures in 1981 and 1982. As Nimsick and McMynn had predicted, the smelter closed in large part because the mine had exhausted the chemically specific copper reserves at the mid-life Afton mine.¹²⁰

Fall: Lauk and the Winds of Change

The October 4 cabinet shuffle gave Lauk control of a ministry under siege by its own constituency. The economic fortunes of the province followed the mining industry's two-year contraction, as the NDP drew harsh criticism for its many controversial policy decisions. Lauk's takeover of the mining portfolio signalled to industry that the NDP's mining policy was open to change. As Lauk explained to researcher Raymond Payne, after fighting the mining industry for three years "the cabinet was pretty well unanimous in wanting a review of our approach."¹²¹ The NDP was preparing to abandon their previous approach, and transition to a more traditional promoter-liquidation role.

¹²⁰ Government of British Columbia, "NEW AFTON, AFTON, AFTON MINE, POTHOOK, COQUIHALLA WEST, CLIFF (L.899), DOMINION (L.1595)" *MinFile Database*, ID# 092INE023. Retrieved last: September 30 2017, Available at: <<http://minfile.gov.bc.ca/Summary.aspx?minfilno=092INE023>>.

¹²¹ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 335.

Lauk accepted an offer to meet with the BCYCM in late October, receiving a brief that would have completely reversed three years of NDP policy direction.¹²² Contemplating the major changes demanded by industry, Lauk announced on November 2 the inauguration of a three-person panel to review anything and everything within his mining portfolio. The following day Barrett called a snap election.¹²³ During the election campaign, Lauk announced that this team would be comprised of one union representative from the USWA, an industry executive from the MABC, and a UBC economics professor.¹²⁴ Lauk also expressed openness to reconsidering the MRA, noting that “as for the mineral royalties, I have no condition that we retain or drop them.” If the NDP won another term in power, this panel would provide Lauk and the broader cabinet political cover for a possible reversal of the policy direction it had forced Nimsick to implement as minister.

The leading mining industry lobby groups held different perceptions of Lauk’s entry and the degree of change that he was willing to pursue. While the MABC was positive about the new minister, the BCYCM was less enthusiastic. Rick Higgs, of the latter body, reflected that in the fall of 1975 “what happened was an incompetent Minister was replaced by one who was less incompetent, and that was an improvement.”¹²⁵ Higgs went on to convey his sector’s frustrations with the NDP government: “We were constantly disappointed at the attitudes that we found in government... We had been at that point treated to so many shams, insults and other

¹²² "Mine chiefs see a ray of hope," *Vancouver Province*, October 24, 1975, 19.

¹²³ "B.C. Mines minister sets up study team," *Vancouver Province*, November 3, 1975, 1, & 12.

¹²⁴ Bob Shaw, "Mining review board named by Lauk," *Vancouver Province*, November 8, 1975, 16.

¹²⁵ Gamey, "Interview with R. Higgs", 13.

similar treatment that we needed to be convinced of sincerity.”¹²⁶ The MABC, however, felt sure that their anti-MRA campaign had convinced government of the need for change. When asked, in 1979, if the NDP’s willingness to implement changes was the result of their campaign, P.R. Matthew enthusiastically answered “yes, yes.”¹²⁷ Matthew went on to affirm that he personally “was very convinced that they were going to make some changes, they were going to make some major changes, and I was anxious to have them do that before they called an election.”¹²⁸ One can only speculate, but had the NDP been re-elected, it is likely that Lauk would have substantially altered the MRA and may have fully abandoned the relationship the NDP had worked to establish.

The NDP’s mining agenda did not figure prominently in their 1975 election platform, but Barrett did speak on the issue to the *Vancouver Sun* for a special series on provincial party leaders. Seemingly ignoring his own frank conversations with mining executives over the past three years, Barrett emphasized three points in relation to his desire for a less contentious relationship with the industry. First, he reflected on the need to “attempt to establish a better relationship with the mining industry, perhaps on a new footing.” He then blamed Nimsick for failing to work with mining leaders, affirming that “Mr. Lauk’s initiatives are not window dressing.” Finally, the man that wrote that “the battle lines were drawn very quickly as the corporate elite realized they were no longer

¹²⁶ Gamey, “Interview with R. Higgs”, 13.

¹²⁷ Gamey, “Interview with P.R. Matthew”, 6.

¹²⁸ Gamey, “Interview with P.R. Matthew”, 6.

calling the shots,” assured the free-enterprise vote that his NDP’s mining policy was not run by a “rigid doctrinaire administration.”¹²⁹

Any intention the NDP had to change its approach to working with mining became moot when they lost the 1975 election to a renewed Socred party. Bill Bennett’s Socreds maintained many controversial NDP’s programs and initiatives; however, the NDP’s mining policies were not among them.¹³⁰ By the summer of 1976, the NDP’s mining reforms had been completely dismantled as the new government resumed the traditional promoter-liquidator role. The MRA, and the NDP’s attempts to manage the extraction of mineral resources, became little more than a short and unsuccessful experiment.

¹²⁹ "Talking to the leaders: Dave Barrett, New Democratic Party," *Vancouver Province*, December 6, 1975, 5- 6.

¹³⁰ The incoming Socred party maintained many of the controversial initiatives of the previous NDP government, including the Agricultural Land Reserve, the ban on corporal punishment in public schools, and the public monopoly on automobile insurance.

Chapter 2

Reviving the Traditional Relationship: An End to the MRA and the Socred Response to the War in the Woods

“We cannot afford another term of socio-communism.”

--Tom Waterland letter to Bill Bennett, 1974¹

Introduction

The defeat of the New Democratic Party (NDP) in the 1975 election was due primarily to the coalescing of the free enterprise vote in favour of the renewed Bill Bennett Social Credit Party (Socred). The NDP increased its gross popular vote by almost 15 percent in the 1975 election, garnering nearly 60,000 more votes than it received in 1972 and its share of the popular vote declined by less than one half of one percent. However, they lost the election to Bill Bennett’s Socreds, who received nearly 50 percent of the popular vote in taking two thirds of the seats in the legislature.

Armed with a majority, Bennett was quick to turn back the clock on provincial mining policy. Within six months of taking office, the Socreds virtually eliminated the NDP’s mining reforms. These changes, and the government’s approach to enacting them, signalled that the new Socreds were enthusiastically returning to a promoter-liquidator relationship with the mining industry.

This mining-friendly approach was not distinct to the Bill Bennett Socred government of 1976, as his successor Bill Vander Zalm also focused on promoting the industry’s interests over those of other land users during the late 1990’s. The Vander Zalm cabinet’s decision to reclassify parts of Strathcona Provincial Park in 1987 sought to enable mineral exploration within the park boundary, but sparked substantial civil

¹G.L. Kristianson, “The Non-partisan Approach to B.C. Politics: The Search for a Unity Party –1972-1975” *BC Studies* no. 33, Spring, 1977, 19. Emphasis in original.

disobedience and embroiled both industry and government in unanticipated turmoil. The Strathcona Park conflict exemplified the lengths to which Socred governments would go in order to meet the demands of the promoter-liquidator relationship, and was one of few instances in which the mining industry was directly engaged in the conflict that became known as the War in the Woods.²

Although public opposition forced the Socreds to reverse their decision to reclassify parts of Strathcona Park in 1988, that did not signal a general commitment to parity between mining and environmental values. Adopting a strategy of delay, the Socred government created a variety of committees, studies, and commissions, and then largely ignored recommendations that would have restricted industry access to minerals.³ These recommendations did, however, become the impetus for major regulatory change during the NDP governments of the 1990s.

1976: Following Up on Promises, a Return to Normal Relations

The mining industry welcomed the results of the 1975 election. Vancouver's dailies were ripe with favourable predictions of mining's future under Socred governance.⁴ One industry leader predicted that four new mines would rapidly enter production if the Socred government lived up to its campaign promises to dismantle the NDP's mining policies,⁵ and create a "hospitable taxation and legal environment."⁶ The new minister

² The War in the Woods: A term adopted to refer to the frequent conflicts and civil disobedience over resource extraction in the 1980's and 1990's. This conflict pitted environmental non-governmental organizations, and portions of the general public against forestry companies and other associated groups.

³ Bill Vander Zalm took over from Bill Bennett as leader of the Social Credit Party in 1986, following a heated and controversial leadership campaign that saw him win on the fourth ballot.

⁴ Bob Shaw, "mining chiefs hail sweep by Socreds," *Vancouver Province*, December 12, 1975, 9.

⁵ "Election spurs mining," *Vancouver Province*, December 13, 1975, 20.

⁶ Bob Shaw, "mining boss predicts slow recovery for industry," *Vancouver Province*, December 12, 1975, 24.

responsible for mining, and future MABC President Tom Waterland, acted quickly to create this favourable environment, promising to repeal the Mineral Royalty Act (MRA) and return to a profit tax.⁷

Waterland, a regional geologist in the mines department during the NDP's term in office, had in 1974 written to Bill Bennett offering to run for the Socredits in the next election. In this letter, Waterland objected to the NDP's mining policies and affirmed the need for a return to government's traditional promoter-liquidator role. "*We cannot,*" he wrote, "*afford another term of socio-communism.*"⁸

Once in government, Waterland affirmed that he would defend the industry's "right to mine" by removing "as much ministerial discretionary power as possible from all mining legislation." In effect, he told industry to expect a return to the traditional relationship, one consisting of their preferred taxation system and a hands-off approach to mining that enshrined government's duty to liquidate its mineral assets into private hands. With this, the industry suspended its legal action against the MRA.⁹

Following through on his commitments, Waterland went about dismantling the NDP's mining legislation in the summer of 1976. Bill 57, the *Mineral Resource Tax Act*, attempted to address two of industry's core complaints regarding the MRA. First, it replaced the incremental and basic royalty with a straight 17.5 percent profit tax. Although this represented a 2.5 point increase over the WAC Bennett-era mining profit tax, the modest increase was accompanied by an expansion of deductible expenses that

⁷ "Royalties not fair, Abolition favored," *Vancouver Province*, December 23, 1975, 1 & 5.

⁸ Letter reproduced in part: G.L. Kristianson, "The Non-partisan Approach to B.C. Politics: The Search for a Unity Party –1972-1975" *BC Studies* no. 33, Spring, 1977, 19. Emphasis in original.

⁹ "Mining industry sees better days ahead," *Vancouver Province*, January 14, 1976, 1.; and, Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 355.

ensured the effective tax rate would be less than 17.5 percent of actual profits. The extensive list of deductions included a complex deduction for up to 8 percent of undepreciated capital return. In effect, this meant that profit could be deducted from the profit tax.¹⁰ Government received a share, but only after industry provided a return to shareholders. Second, the new taxation system allowed industry to appeal any tax assessment, first to Cabinet, and then to the court system. Moreover, a special allowance excluding the public from court proceedings enabled industry to retain the secrecy of its financial dealings while appealing taxation assessments.¹¹

The NDP's Gary Lauk framed the increased deductions as an "absolute sellout to the mining companies" and a "political payoff to friends," claiming that the mining industry would be paying less than they had under the WAC Bennett regime's 15 percent profit tax.¹² On June 16, 1976 Lauk and Barrett interrogated Waterland for over an hour in the legislature, asking 46 times if mining industry executive Jorgen Lau had been given an advanced copy of the legislation. Only after Lauk quoted Lau's public admission that he had seen the final draft of the legislation did Waterland concede that, as a member of the advisory committee, Lau had indeed been given access to the final draft of the legislation.¹³

The industry, in fact, had been directly involved in crafting the Sacred mining legislation, sitting on confidential drafting committees alongside non-partisan public

¹⁰ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 357-358.

¹¹ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 358.

¹² British Columbia Legislative Assembly, *Debates*, June 16, 1976, 2698 and 2712.

¹³ British Columbia Legislative Assembly, *Debates*, June 16, 1976, 2698-2713.

servants. Although previous NDP governments had received briefs from industry and even commissioned a policy review task team that included a mining executive, the Socred government allowed industry insiders to draft the laws governing mining, representing an entirely different level of collaboration between industry and government. The Socred's approach to working with the mining industry reflected the party's belief that government was responsible for and answerable to the mining industry and its interests.

Bill 30, the second Socred bill introduced to undo the NDP's mining reforms, addressed the government's legislative authority to practice resource management and to participate in mining operations as an equity partner. It dismantled the NDP's attempts to provide government with the power to manage and direct the development of Crown-owned mineral resources. Four components of the bill illustrated the new Socred government's disinterest in taking an active role in mining as either a regulator or a resource owner. First, Bill 30 revoked the government's power to halt production of a mine that contravened mining legislation. Second, ministers were no longer required to approve transfers of leases between corporate entities. Third, Bill 30 eliminated the industry's need to gain ministerial permission to develop a mine, as under the NDP legislation production plans had to be approved by the minister. Now, companies were only obligated to provide information to the minister prior to development. Together, these three components enabled industry to operate free of government regulation or consideration of other public values.¹⁴

¹⁴ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 360-361.

The final component of Bill 30 addressed the NDP legislative mechanism which would have allowed government to purchase of an equity stake in new mines. The Socred government flatly rejected the principle that government ought to participate in the mining sector as an equity holding partner.¹⁵ Thus, by the end of summer 1976, the Socred government had stripped its own ability to practice resource management of mineral resources, and firmly rejected any role as an active partner in the exploitation of BC's mineral potential. The NDP's attempt to redefine the nature of the government-industry relationship had resulted in no long-term change. The provincial government was once again in the business of promoting the mining industry and liquidating publicly-owned mineral resources to private interests with little or no regulatory oversight.

1985-1988: A Depressed Economy, the Strathcona Park Declassification, and the Environmental Movement

Despite the BCYCM's predictions, no new mine projects entered production in BC following the Socred's election in 1975.¹⁶ Favourable tax structures alone were an insufficient incentive given persistently low metal prices. Operators were able to offset the depressed value of copper in the late 1970s by selling molybdenum, a mineral often found in B.C.'s porphyry copper deposits, taking advantage of a four-fold increase in the value of B.C.-mined molybdenum between 1975 and 1980. However, a sudden collapse of the molybdenum market during the broader economic downturn of the early 1980s impeded new development and led to the creation of BC's last ghost town, Kitsault.¹⁷ As

¹⁵ Payne, "Corporate Power and Economic Policy Making in British Columbia, 1972-1975: The Case of the Mining Industry", 361.

¹⁶ "Election spurs mining," *Vancouver Province*, December 13, 1975, 20.

¹⁷ Nelson, "British Columbia Copper Mining Development: A Sixty-Year Economic and Political Retrospective", 69.

the global recession worsened and unemployment in rural BC rose, the Bennett Socreds adopted new policies aimed at supporting the mining sector.

One avenue of support came in the form of a direct subsidy. From 1985 onward the Socreds collaborated with the federal Mulroney government on a \$10 million initiative, the *Canada/British Columbia Mineral Economic and Regional Development Agreement* (MERDA), to directly subsidize mineral exploration and development.¹⁸ However, this did little to improve the BC's overall economic outlook, and just one in four companies surveyed for the program's final report believed that the MERDA activities had improved the cost effectiveness of their operations.¹⁹ With no equity return for government expenditures, the MERDA was a direct subsidy program that reflected government's perceived duty to support the industry, and maintain its profitability.

Another form of supportive policy came in 1987, with the controversial decision to permit mineral development in Strathcona Provincial Park. Despite the growing strength of the environmental movement in the 1980's, the Bennett and Vander Zalm Socred governments proved resistant to calls for more strenuous regulations of mining operations.²⁰ Newly elected Socred Leader Bill Vander Zalm signaled his government's intention to support the liquidation of Crown resources by throwing a huge area of the

¹⁸ G.R. McKillop, WR Smith, and B McRae "The Canada/British Columbia Mineral Development Agreement" British Columbia Ministry of Energy, Mines and Petroleum Resources, *Geological Fieldwork Paper 1986-1*, 1.

¹⁹ Governments of British Columbia and Canada, "Sustainable Mineral Development: Mineral Development Agreement Canada-British Columbia 1985-1990," 1990, QP# 87636, 2,4.

²⁰ Jeremy Wilson, "Implementing Forest Policy Change in British Columbia: Comparing the Experiences of the NDP Governments of 1972-75 and 1991-?" in "Troubles in the Rainforest: British Columbia's Forest Economy in Transition" eds. Trevor J Barnes and Roger Hayter, *Canadian Western Geographic series 33*, (Victoria: Western Geographical Press-University of Victoria Department of Geography, 1997), 75-98.

province's oldest park open to mineral exploration and development.²¹ Strathcona Park had been subjected to resource development since its inception in 1912. Mining and dam projects generated conflicts between development and conservation interests during the 1950s and 1960s, but these early environmental campaigns were ultimately unsuccessful in restricting the development and expansion of Westmin's Myra Falls underground copper mine.²² When further mining-centric decisions faced off against new social values in the late 1980s the Vander Zalm government's attempts to maintain its traditional role as a mineral liquidator ended in failure.²³

In 1987, as part of a broader review of park usage through the Wilderness Advisory Committee, the Socred government declassified 22,000 hectares of Strathcona Park, most of which overlapped existing mineral claims, opening the land to exploration and potential future development without special ministerial permission.²⁴ Local

²¹ For detailed study on the 1987-1988 conflict over resource development in Strathcona Park consider reviewing the Peter A. Larkin fonds held at the University of British Columbia. A detailed finding aid is available online: < https://www.library.ubc.ca/archives/u_arch/larkin.pdf >.

²² Dwyer, "Conflicts over Wilderness: Strathcona Provincial Park, British Columbia", 123-153.; and Keeling, "The Park...Is A Mess: Development and Degradation in British Columbia's First Provincial Park", 120-140.

²³ Dwyer, "Conflicts over Wilderness: Strathcona Provincial Park, British Columbia", 186-232.

²⁴ Keeling, "The Park...Is A Mess: Development and Degradation in British Columbia's First Provincial Park", 140-141.

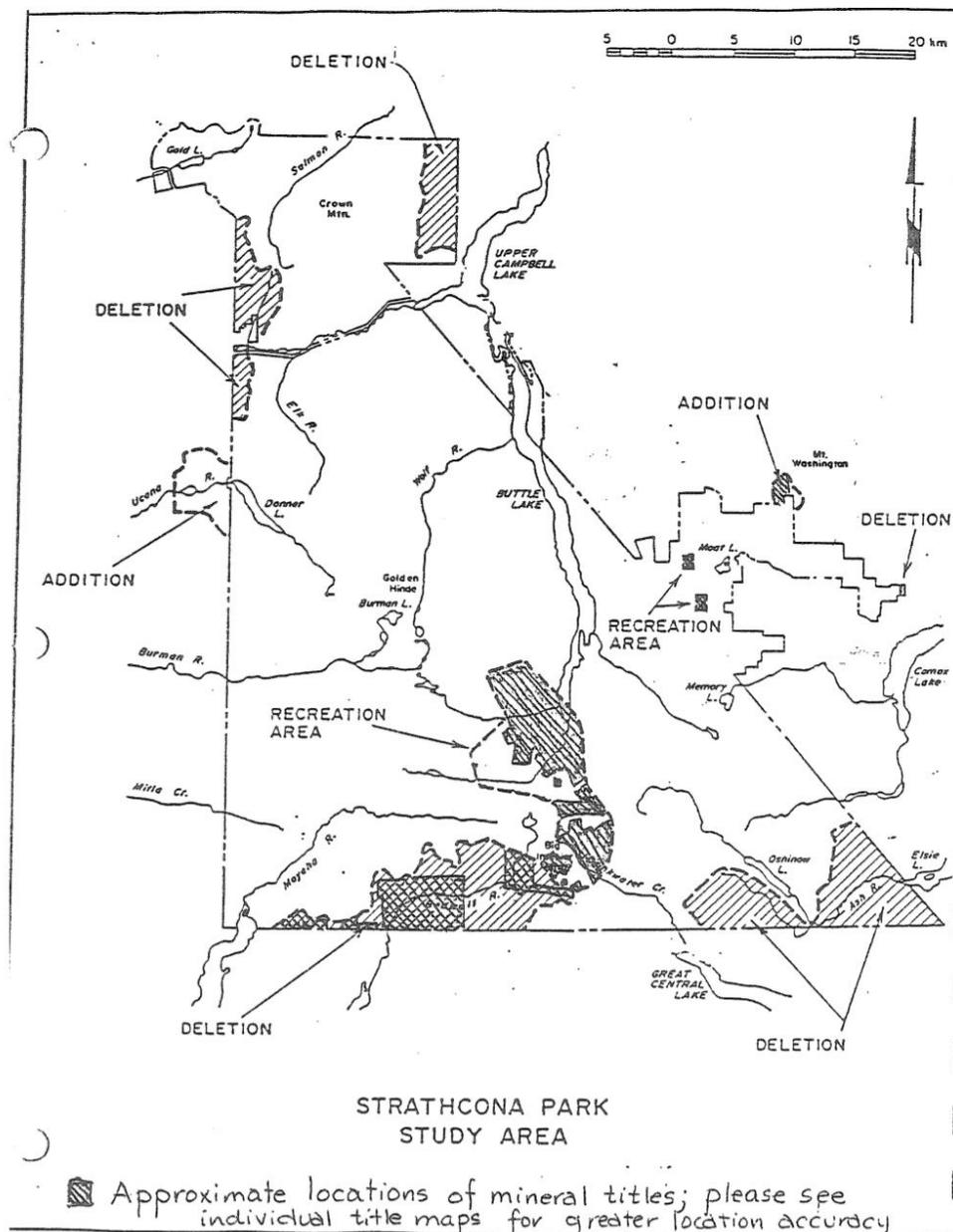


Table 1—Strathcona Provincial Park Re-classification Map²⁵

activists warned the government that any changes to the park would be met with “frightful opposition,” and environmental organizations were quick to condemn the decision.²⁶ This incident illustrates both the lengths that the Vander Zalm Soerds would

²⁵ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance* Chairman Dr. Peter Larkin, June 27, 1988, Appendix 4, page unnumbered.

²⁶ Quentin Dodd, “Kempth pledges park review,” *Upper Islander*, August 5, 1986, 1, in Dwyer, “Conflicts over Wilderness: Strathcona Provincial Park, British Columbia”, 162.

go to enable the liquidation of Crown mineral resources, and the perils of prioritizing industrial use while ignoring the local public interest.

Prior to the 1987 park re-classification, most of Strathcona was designated as a Class B Provincial Park, a status that required special permission from the minister responsible for parks to proceed with mineral exploration or development activities. If the park had been Class A, mining would have been forbidden outright. For nearly fifteen years, mining companies had unsuccessfully applied for special ministerial permission to explore the Class B portion of Strathcona Provincial Park.²⁷ These frustrations eventually led to an unsuccessful legal challenge by the Cream Silver Company in April 1986. Cream Silver, which had controlled claims inside the park since the 1960's, alleged that it was owed compensatory damages as government failed to facilitate development of its holdings.²⁸ The company lost its initial hearing, but appealed the ruling. In November 1986, just two weeks before the appeal hearing, Cream Silver dropped the appeal. Two months later, on January 27 1987, the Vander Zalm government announced the reclassification of Strathcona Provincial Park lands that overlapped existing mineral claims. All portions of the park that overlapped with mineral claims were changed from Class B to Recreational Area (no special ministerial permission requirement) status, returning over 20,000 hectares of park land to the mining land base.²⁹

²⁷ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance*, 3.

²⁸ Friends of Strathcona Park and Western Canada Wilderness Committee "Who benefits from Decisions to Log and Mine in Park?" in *Sold Out to Mining Interests 1987*, Newsletter, Summer 1987, 6.

²⁹ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance*, 15.

The Sacred Cabinet had enabled the liquidation of Crown mineral resources in accordance with its perceived duty to industry, and within two months Cream Silver's stock price doubled.³⁰ However, the government had largely excluded the public from this decision-making process, drawing the ire of local non-governmental organizations and environmental activists. The prolonged and hostile public response proved that by maintaining its narrowly defined promoter-liquidator role, the Vander Zalm Administration risked plunging both industry and government into an intractable conflict with environmentalists.

Responding to what they deemed a "resource sellout," the Western Canada Wilderness Committee (WCWC) joined with the Friends of Strathcona Park (FSP) to produce a newsletter in summer 1987. This newsletter included numerous articles outlining the innate specialness of Strathcona, and conveyed locals' sense of dread about the anticipated impacts of expanded industrial development in the park.³¹ Local and provincial newspapers were quick to pick up the story and public sentiment began to align itself with the WCWC and FSP calls to establish Strathcona as a mining-free Class A park. Over the winter of 1987-1988, the situation escalated. Park advocates took direct action, blockading access roads to stall mineral exploration. The situation mirrored forestry conflicts elsewhere in the province; protesters peacefully blocked access, companies sought injunctions, and the RCMP arrested protesters.³² The *Vancouver Sun* took efforts to highlight the resolve of the arrested protesters during their court

³⁰ Friends of Strathcona Park and Western Canada Wilderness Committee "Who benefits from Decisions to Log and Mine in Park?" in *Sold Out to Mining Interests 1987*, Newsletter, Summer 1987, 6.

³¹ Friends of Strathcona Park and Western Canada Wilderness Committee "From Lofty Principles to Resource Sellout" in *Sold Out to Mining Interests 1987*, Newsletter, Summer 1987, 2.

³² Pauline Martin, "Seven Protesters Arrested," *Upper Islander*, February 2, 1988.

appearances, titling one report “Strathcona protesters face court with smiles.”³³ Although the 64 arrested protesters were charged with minor offences, 59 were eventually acquitted at trial when government permitted its case against them to fail.³⁴

By February of 1988 the escalating situation led Environment Minister Bruce Strachan to spend two hours meeting with representatives from the FSP. Although Strachan claimed not to have discussed the protests or acts of civil disobedience, on exiting the meeting he announced the formation of a special committee to review the Strathcona Park reclassification, and would not issue new mining permits until the report was finalized.³⁵ Dr. Peter Larkin, tasked with leading this Strathcona Park Advisory Committee, was given just three months to provide a set of recommendations on the park’s boundaries, industrial resource use, and the existing draft master plan.³⁶ Larkin created an ambitious public engagement process that chose to “interpret the terms of reference as broadly as necessary in order to obtain all relevant information,”³⁷ receiving more than 250 public presentations and submissions during six sessions in Victoria, Vancouver, and four communities around Strathcona Park.³⁸ This was an astonishing show of public participation: by comparison, Sandy Peel’s provincial commission on forestry received just 1000 submissions during a public consultation period lasting two full years.

³³ Glenn Bohn, “Strathcona Protesters Face Court with Smiles” *Vancouver Sun*, February 12, 1988, A10.

³⁴ Nancy Brown, “Park Activists Go Free,” *Victoria Times-Colonist*, May 18, 1989.; and, “59 Strathcona Park protesters acquitted” *Vancouver Sun*, May 18 1989, A9.

³⁵ Keith Baldrey, “Victoria to Review Drilling in Park,” *Vancouver Sun*, February 16, 1988, A9.

³⁶ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance*, 4.

³⁷ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance*, 5.

³⁸ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance*, 5.

Larkin delivered his final report to government in June 1988, but the Socred administration chose to withhold it until September. Over the summer protesters proved their resolve by maintaining a full-time protest camp in the park near Cream Silver's mineral exploration project. The report identified mining as a "central issue," that "perhaps more than any other precipitated the establishment of our committee."³⁹ The Larkin report rejected mining as incompatible with Strathcona Park: "What should be recommended about mining in Strathcona Park? Our answer is unequivocal: there is no place for further development of mineral claims in Strathcona Park."⁴⁰

The report's stark conclusion, in conjunction with ongoing protest, left the government few options. In releasing Larkin's report to the public, a press release confirmed the reclassification of Strathcona to Class A, the most strongly protected class.⁴¹ While the existing Westmin mine would continue to operate, no new mineral exploration or development would be permitted. Terry Huberts, Minister responsible for BC Parks, noted the uniqueness of Strathcona as BC's first provincial park but reassured tenure holders that government would ensure "fair compensation where legitimately held rights are affected by this policy." The press release also included comments from Mines Minister Jack Davis, who begrudgingly accepted that "...the public want Strathcona to be a Class A park."⁴² Though he recognized the public's overwhelming preference for park protection, Davis reaffirmed his government's vision of multiple use:

Elsewhere in the Province I'm committed to the principle of multiple use in Recreation Areas. With proper planning and reclamation there's

³⁹ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance*, viii.

⁴⁰ Strathcona Park Advisory Committee, *Strathcona Park: Restoring the Balance*, viii.

⁴¹ Huberts, "Strathcona Committee Report Released," 1.

⁴² Huberts, "Strathcona Committee Report Released," 2.

no reason why mining and forestry and other resources cannot co-exist with recreational interests.⁴³

Assuring the mining industry that the Strathcona Park outcome would be an isolated incident, Davis made it clear that provincial parks would not become the sole preserve of environmentalists and nature lovers.

Davis's statement reflected his ministry's continued perception of its role as a promoter of the industry. Even in the face of civil disobedience and public outcry, the mines ministry continued to represent the interests of *its* industry. When viewed in conjunction with the ongoing direct subsidization of mines through the MERDA and the removal of the resource management provision of mining legislation, the relationship between the Socred government and the mining industry was not just close, it was founded on the time-honoured acceptance of a duty to promote and enable the mining industry. However, as the War in the Woods escalated and public interest in environmental preservation grew, the mining sector found itself pulled into a broader discussion on resource management at the end of the 1980s.

1988-1991: The War in the Woods, and Vander Zalm's Response

Though focused on forestry, the War in the Woods raised the public's environmental awareness and provided financial and logistical capacity to BC's emerging environmental movement. Taking note of the emerging threat, in September of 1989 Janis Beck of the MABC noted that "public concern has been heightened by the increase in environmental awareness and this has had a direct impact on the mining industry in British Columbia."⁴⁴

⁴³ Huberts, "Strathcona Committee Report Released," 2.

⁴⁴ Janice Beck, "Corona's Nickel Plate Mine Responds to Local Fears," *Mining in BC* 2, no.9 (September, 1989): 2.

Less than a year later, mining industry professional-turned media consultant Michael Halleran warned the mining industry that “environmentalists have got you on the list...miners have an image problem....environmentalists are concentrating on the forest section at the moment but your turn will come.”⁴⁵ By the late 1980s the mining industry was aware that without broad-based public support like that rallied during the anti-MRA campaign, its preferential position as the highest and best use of the land was in jeopardy.

As environmental NGOs leveraged international concern over the logging of BC’s old growth forests to escalate the War in the Woods, the discourse between loggers and environmentalists seized upon BC’s political tradition of polarization to form a rigid binary. As Lorna Stepaniuck explains, this binary played out largely as an urban-rural divide, pitting Vancouver and Victoria-based urbanite “tree huggers” against rural blue collar “tree fallers” who believed that the survival of their communities was tied to natural resource extraction.⁴⁶

Adopting a strategy of delay, nicely captured by Jeremy Wilson in titling his book *Talk and Log*, Bill Vander Zalm’s 1986-1991 Socred government created committees and task forces to study the problems afflicting resource extraction in the province. Between 1987 and 1990, three such entities were created: Parks and Wilderness for the 90s, the BC Round Table on the Economy and Environment (BCRTEE), and the Forest Resources Commission (FRC), later known as the Peel Commission after its chair, Sandy Peel. The vision offered by these entities, particularly on land and resource planning, would come to dominate the future of resource management in BC. Through these

⁴⁵ Deborah Wilson, “New B.C. Environmental Dispute Brewing,” *Globe and Mail*, March, 1990, A10.

⁴⁶ Lorna Stefanick, “Baby Stumpy and the War in the Woods: Competing Frames of British Columbia Forests” *BC Studies* no. 130 (Summer, 2001), 52-53.

bureaucratic institutions, the province sought advice on and solutions to ongoing land-use conflicts. BCRTEE studied many consultative proposals linked to planning the resource economy⁴⁷ and supported establishing regional roundtables to allow localized influence on resource use.⁴⁸ Parks and Wilderness for the 90's was itself a public engagement and planning process. The Peel Commission went a step further, laying out a framework for land-use planning that incorporated "new social values" in outlining a multi-use approach to forest management that emphasised non-extractive land uses.⁴⁹

Established in 1989, the Peel Commission engaged with the public to develop and review ideas on the integrated use of forested lands. The final report, entitled *The Future of Our Forests*, specifically highlighted the presence and importance of new non-commodity driven values that conflicted with "old" values which lionized a rampant extraction economy. Peel argued emphatically for the need to adopt a new form of stewardship which could include all land users' values, defining the term "Enhanced Stewardship" as the "intensive, integrated management for all values on the largest forest land base possible."⁵⁰ In this vision, strategic, regional, and local planning initiatives would bring British Columbians together to manage the land, providing a greater role for

⁴⁷ T. Gunton and I. Vertinsky, *Reforming the decision making process for forest land planning in British Columbia*, British Columbia Roundtable on Environment and the Economy, September, 1990.; and *The Structure of the BC Economy: A Land use perspective* by Planning and Statistics Division, for British Columbia Roundtable on Environment and the Economy, March, 1991.

⁴⁸ *Sustainability: From Ideas to Action*, British Columbia Roundtable on Environment and the Economy, July 1993, 21.

⁴⁹ Forest Resources Commission, *The Future of Our Forests*, April 15, 1991, 11-17.

⁵⁰ Forest Resources Commission, *The Future of Our Forests*, 6-8.

groups traditionally outside the forest management community. “The planning process will be acceptable to the public,” he wrote, “only if it is open, and is seen to be open.”⁵¹

In concluding his chapter on land-use planning Peel proposed the creation of an autonomous, legislatively defined “Land Use Commission.”⁵² Peel’s proposed commission was not a radical challenge to the supremacy of the legislature, as he reserved to cabinet the right to arbitrate residual conflicts. However, by reporting to cabinet directly, this commission would have been independent of any single ministry’s oversight and direction.

Peel’s April 1991 report would have no immediate impact. The Socred government was in disarray; under the pressure of a scandal involving Premier Bill Vander Zalm’s connection to dubious real estate dealings, it was in no position to implement land-use initiatives. Vander Zalm’s resignation passed the premiership to Rita Johnson in April 1991, but her administration also allowed Peel’s work and that of the other planning entities to gather dust as the province moved to a late 1991 election. It was not until after the NDP’s election in late 1991 that the recommendations of these various entities would be put into effect.

1990-1991: Mining’s Relationship to the Public during a Time of Study

During this era of conflict and study, mining industry officials such as the MABC President and CEO Tom Waterland, the BCYCM’s Bruce McKnight, and MABC’s Director of Environment and Land Use, Ken Sumanik, heralded the necessity of public engagement. In 1990, Sumanik noted that “it is essential that mining industry people...

⁵¹ Forest Resources Commission, *The Future of Our Forests*, 16.

⁵² Forest Resources Commission, *The Future of Our Forests*, 17.

seek a consensus among the stakeholders on action that should be taken on a number of [environmental issues].”⁵³ Briefing the Forest Resources Commission, Sumanik asserted that the mining “industry must be part of any regional dialogue regarding land use in BC.”⁵⁴ During the late 1980s and early 1990s, industry representatives frequently asserted the value of engagement, compromise, and dialogue, repeatedly stressing the need to form amicable working relationships with both government and the public, and warning of the risks of delaying these actions.

Concerned over the expansion of B.C.’s park system and the lack of a rigorous mineral potential consideration prior to establishing new parks, the industry was eager to voice its concerns.⁵⁵ In 1991 the BCYCM Land-use Manager Linda Thornstad supported industry’s involvement in the Parks and Wilderness for the 90s’ review process. “I can’t over emphasise,” she said, “the importance of being involved in the process to ensure that our position is heard.”⁵⁶ Just two months later, MABC President and Land-use Director Waterland concurred, stressing “the importance of having mining representatives on hand at these meetings to speak on issues affecting the minerals industry.”⁵⁷

Industry also published materials that articulated the need for compromise and dialogue with environmental groups. A MABC monthly newsletter quoted UBC’s resource economist Les Reed reiterating that, “Integrated land-use can work but we all

⁵³ Ken Sumanik, “Federal Green Plan Consultation Process – Mining must get involved,” *Mining In B.C.* 3, no.6 (June, 1990), 3.

⁵⁴ Patrick Durrant, “Players grow in mining” *Vancouver Province*, May 24, 1990, 46.

⁵⁵ Glenn Bohn, “Environmental and industry groups are praising B.C. parks ministry plans for large parks in all of B.C.’s 59 distinct geographical areas,” *Vancouver Sun*, June 8, 1990, B4.

⁵⁶ Linda Thornstad, “Message is Clear from Mining Industry,” *Mining In B.C.* 4, no.3, (March, 1991), 3.

⁵⁷ “Busy Schedule ahead for BC Roundtable on Environment and Economy,” *Mining In B.C.* 4, no.4 (April, 1991), 2.

have to be prepared to compromise and learn to speak a common language.”⁵⁸ During this time the mining industry proactively sought to develop the tools to engage and resolve disputes with stakeholders. In November 1990 Geddes Resources hosted a seminar for industry professionals entitled “Dispute Resolution in the 1990’s.” Dr. Gerald Harper, President and CEO of Geddes Resources, summarized the seminar’s purpose: “We don’t have to resolve disputes; we must build consensus.”⁵⁹ The mining industry was engaged in a robust discourse on the need for proactive engagement with the public, specifically that portion of the public which held negative views of mining.

Tony Shebbeare of the Council of Forest Industries of BC noted in a June 1990 *Vancouver Sun* article that the forest industry’s answer to valley-by-valley conflict was “a comprehensive land-use strategy for [all of] BC.”⁶⁰ The mining industry followed suit less than a year later. While noting that the differences between industry and environmentalists were substantial, the mining industry representative to the commission on Parks and Wilderness in the 90s asserted that “there was, however, a consensus on the need for development of a comprehensive land-use strategy for the province.”⁶¹ A May 1991 BCYCM-MABC joint policy paper asserted that “a comprehensive land-use strategy for BC must be planned by involving a consortium of industry, government, and public representatives.”⁶²

⁵⁸ “Quotable Quotes,” *Mining In B.C.* 3, no.11 (November, 1990), 4.

⁵⁹ “Geddes Resources and others talk about dispute resolution,” *Mining in BC* 3, no. 1 (January 1990), 6.

⁶⁰ Glenn Bohn, “Environmental and industry groups are praising B.C. parks ministry plans for large parks in all of B.C.’s 59 distinct geographical areas,” *Vancouver Sun*, June 8, 1990, B4.

⁶¹ “Mining Makes Good at Parks and Wilderness,” *Mining In B.C.* 4, no.4 (April, 1991), 2.

⁶² “Mining industry calls for land use strategy in policy paper,” *Mining In B.C.* 4, no. 5 (May, 1991), 9.

The joint paper's call to engage the public was not, however, an expression of willingness to delegate policy development to the public; rather, it sought to ensure that mining was able to leverage its favourable relationship with the mines department. Both lobby groups sought to limit the influence of other government ministries, asserting that "No single ministry, such as forests or parks should lead this important initiative." The mining industry wanted to ensure that the promoter-liquidator role of government was thoroughly embedded into any planning process. The joint policy paper also targeted future public relations conflicts by recommending that the term "Wilderness" be changed to "Integrated Land Use Area."⁶³ Using this more technocratic term, the paper aimed to diminish or mitigate the public's aesthetic and environmental valuation of these areas.

By the start of the 1991 election campaign, the War in the Woods had invigorated environmentalists, one of the NDP's core voting blocs. The mining industry observed that "instead of resisting public involvement, it makes sense to work with it and – yes – even reap benefits from it."⁶⁴ However, despite this forward-looking statement, the industry did not seem to have a plan for how to navigate public engagement under another NDP government.

⁶³ "Mining industry calls for land use strategy in policy paper," 9.

⁶⁴ "Public involvement is here to stay," *Mining in BC* 4, no. 4 (April 1991), 6.

Chapter 3

The NDP Picks Another Fight: Land-use Planning and a New Regulatory Regime for the Mining Industry

1990

“If we are going to be working closely with these people in the future we must try to understand them and give them an opportunity to understand us and our industry.”

– Tom Waterland in MABC’s *Mining in B.C.* ¹

1997

“I’m tired of others who seemingly know nothing about the real world jumping onto airplanes and swooping down on resource communities and imposing the latest social policy whims on the working people of BC. Go back to the capital and stay there. Leave the people who built this province alone...”

– Gordon Chaisson in MABC’s *Mining Quarterly* ²

Introduction

In 1991 an NDP government took office once again in BC. Under Mike Harcourt’s leadership, the NDP won just 40 percent of the popular vote, but held 51 of the 75 seats in the legislature. Like its 1972 predecessor, this NDP government enjoyed the benefits of the first-past-the-post electoral system and a split in the vote between two very similar free enterprise parties.

Even more than its predecessor, this second NDP government faced a conflict over natural resource management that pitted two of its core voting blocs against one another: unionized resource workers and a strengthening ‘green’ body of supporters. Aware of the mounting environmental conflict, and needing to retain the support of both voting blocs, the NDP created an arm’s-length commission to mediate between the two aggrieved parties. The Commission on Resources and Environment (CORE) was

¹ “Quotable Quotes,” *Mining In B.C.* 3, no.11 (November, 1990), 4.

² Gordon Chaisson, “Heritage River Designation: a "clever" Strategy”,” *Mining Quarterly* 4, no.1 (Spring 1997), 4.

intended to resolve land-use conflicts through multi-stakeholder consensus-based land-use planning and insulate Harcourt's government from the impending clash of interests.

This chapter will show how the mining industry first participated in, then strenuously resisted, and ultimately rejected comprehensive land-use planning. Relations between the new government and the mining industry were generally positive in the beginning, as the NDP went about implementing the recommendations of the previous Socred government's studies, and avoided antagonizing the industry with new taxes. That period of relative harmony turned adversarial following the government's 1993 decisions to disallow the Windy Craggy mine project, and preserve 12 per cent of the province's land base in protected areas. These decisions, in conjunction with unaddressed concerns with the planning process, led industry to withdraw from land-use planning in 1999. Finally, this chapter briefly reviews the mining industry's relationship with the Liberal government elected in 2001 and the return to a promoter-liquidator relationship that rendered much of the NDP's regulatory regime inert.

Once again, the mining industry resisted government's actions when it was perceived to have deviated from industry's preferred promoter-liquidator role. Like their predecessor, the 1990's NDP did not accept that mining was inherently the highest and best use of Crown land; however, unlike the previous regime, they displayed no interest in buying equity in mines or smelters. The Harcourt and successor Clark governments seemed to have learned from the Barrett experience. They avoided adversarial rhetoric, publicly heralded the importance of mining's economic contribution to BC, and pursued no major policy reform that specifically targeted mining. As the mining industry adopted more confrontational rhetoric, the 1990's NDP followed the path of their predecessor and

offered more concessionary policies and tax breaks in an attempt mollify industry agitation. Despite this learning, the Harcourt and Clark governments continued to integrate the mining industry into the broader resource management regulatory regime, and did not maintain mining as the highest and best use of the land. In doing so, industry perceived that the NDP had broken with the traditional promoter-liquidator role.

A Brief Outline of the CORE Land-use Planning Process

At the start of 1992, Premier Mike Harcourt announced that Stephen Owen would be leading the newly created Commission on Resources and Environment (CORE).³

Influenced by the alternative dispute resolution approaches advocated by Roger Fisher and William Ury in *Getting to Yes*, their influential work on public engagement and the role of non-positional collaboration, CORE sought to bring regional stakeholders together for “interest-based” negotiations.⁴ These stakeholders were encouraged to focus on broad objectives in order to avoid narrow positional disputes that would inhibit arriving at a land-use planning consensus. Government itself had just one seat at the table, (along with interests ranging from major international corporations to local off-road vehicle clubs), forcing ministries to align interests and present a common, co-ordinated government position, with the promotion of natural resource exploitation just one consideration in a broader dispute resolution objective.⁵

During the 1992 throne speech, the NDP identified CORE as their response to the War in the Woods, a strategy that would move BC “beyond Valley by Valley conflicts”

³ "MINING ASSOCIATION PLEASED WITH ESTABLISHMENT OF A RESOURCE COMMISSION," *Mining in B.C.* 5, no.2 (February 1992), 9.

⁴ Roger Fisher and William Ury, *Getting to Yes: Negotiating Agreement Without Giving In*, (New York: Penguin Books, 1981), 3-16

⁵ Burrows, “Consensus Negotiation: Conflict Resolution or Containment Vancouver Island”, 42.

and bring “stability to communities that depend on our forests.” The speech also explicitly conveyed CORE’s commitment to “protecting our environmental heritage.”⁶ By placing CORE so prominently in the throne speech, the NDP was assuring participants that the commission had government’s full support.

Although CORE’s structure drew upon the findings of Vander Zalm-era studies, it represented a fundamentally new approach to resource management in BC. Tony Jackson and John Curry describe CORE as an experimental process which operated on ambitiously short timelines.⁷ Indeed, the scope and speed of the process was impressive: land-use recommendations were provided to government for close to 20 percent cent of the province’s land base by March 1995.⁸ The use of interest-based consensus-seeking negotiations was novel at the time, and relied on each identified stakeholder sector sitting at the planning table to identify interests and work through the planning process collaboratively.

The cornerstone of the CORE process was the use of interest-based consensus negotiations to develop distinct geographically defined zones within each regional plan. This zonal approach to land-use planning had been recommended to both the FRC⁹ and the BCRTEE¹⁰ in submissions prior to the NDP taking power, but had not been incorporated into any comprehensive provincial regulatory structure. Each of these zones was distinct in that it did not overlap any other zone, and had a management prescription

⁶ British Columbia Legislative Assembly, *Debates*, March 17, 1992, 4-8.

⁷ Jackson, “Community Based Sustainability in an Export dependant resource economy,” 39-59.

⁸ Originally developed as four regions, however the neighboring east and west Kootenay regions were merged into one table during the engagement process.

⁹ Michael M’Gonigle, et. al. “Organization and structures of Crown Land Planning in Selected Jurisdictions,” Background Report for the FRC, October, 1990.

¹⁰ Gunton, “Reforming the Decision Making Process for Forest Land Planning in British Columbia.”

that recommended limiting specific land uses, detailed resource extraction best practices, and emphasised the management priority of one or more specified value. Each planning process incorporated regional nuances, particularly when it came to zone type naming, but generally all plans adopted six types of zones, three of which situated the land along a spectrum of resource harvesting intensity. Through the negotiation process the entire plan area was then divided into specific geographic units, with each unit categorized into one of these six zone types.

CORE's three Resource Management Zone (RMZ) types sought to address competing land uses by emphasising different values in each zone. The "enhanced" RMZ (later renamed Enhanced Forestry RMZ) emphasised the use of the land for extractive industrial purposes, in contrast to the "special" zones which emphasised specific non-extractive values such as tourism, or recreation. The final resource management zone type attempted to strike a balance between competing values by emphasizing the applicability of the entire provincial regulatory regime and the need for an integrated approach to decision making, termed "General Resource Management Zones." The interplay between these three zones was summarized succinctly in the *Vancouver Island Summary Land Use Plan* that attempted to visualize the differing management regimes in the table presented here as Table 2.¹¹

¹¹ Government of British Columbia, *Vancouver Island Summary Land Use Plan*, 18-26, 30-37, and 192.

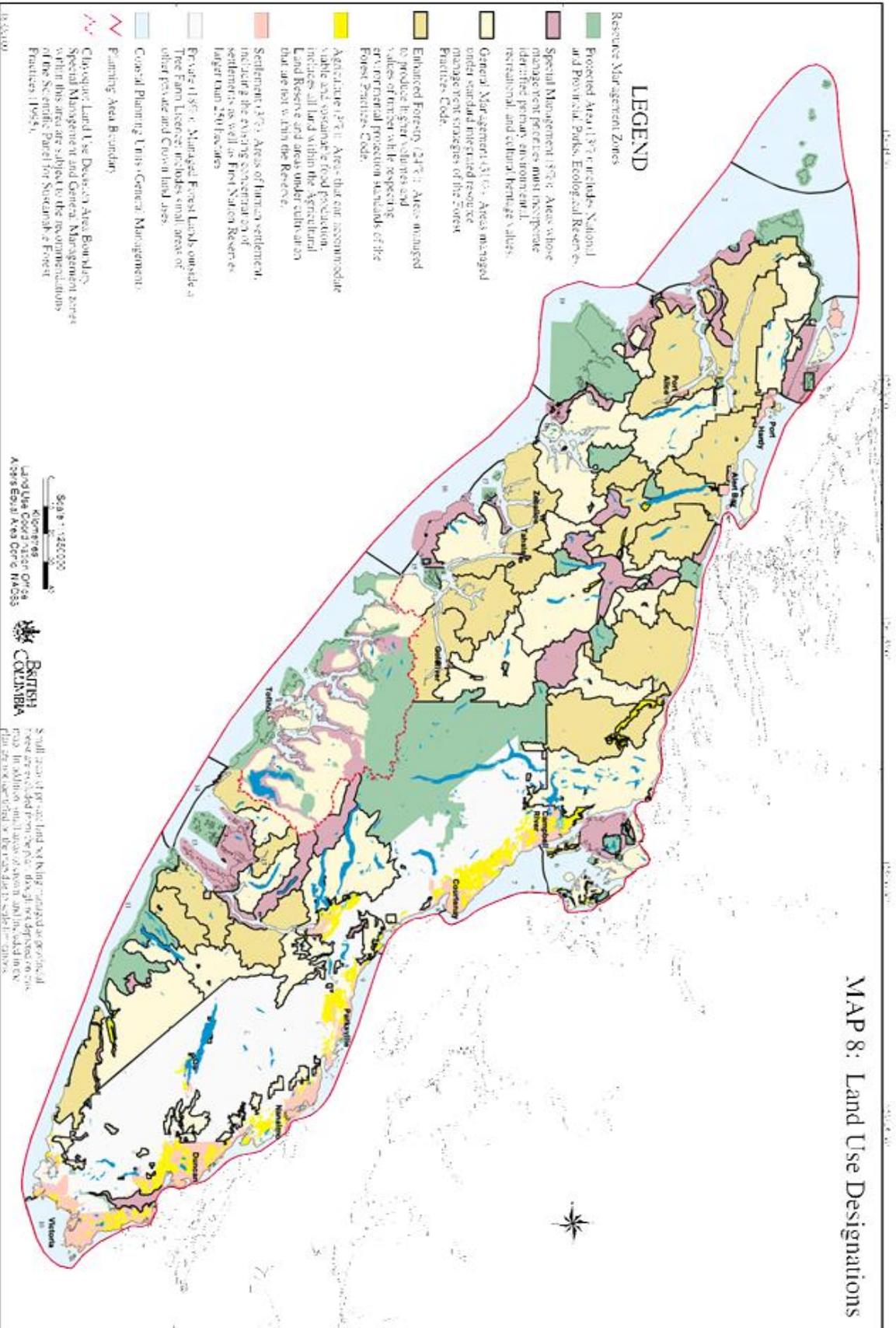


Table 2- Example of zoning structure on Vancouver Island

The final three zone types were Settlement, Agriculture, and Private lands. These were typically the smallest of the zone types, with Private land only making up a substantial portion of the Vancouver Island Land Use Plan at 18 percent. These zones were also the least controversial, with the mining industry most concerned about the impacts of the Special RMZs and the general forestry focus of the process.¹²

Resource Management Zone	Special Management		General Management	Enhanced Forestry	
Values Addressed	Identified Primary Values: wildlife, biodiversity, old growth forests, recreation, visual and tourism	Other Resources	All Resources	Non Timber Resources	Timber Resources
Management Regimes	Special Management Under VILUP and FPC Higher Level Plan designation	General Management under FPC and other legislation			Enhanced Management Under VILUP and FPC Higher Level Plan designation

Table 3 – RMZ Values and Management Regimes¹³

The CORE process set out to establish these zones at a regional scale, with the intent to establish topical or site-specific groups to refine the plan at a sub-regional level. The Vancouver Island CORE process planned to initiate a series of subsequent planning and monitoring committees that ranged from the technocratic Vancouver Island Resource Targets group, and Protected Areas Boundary Advisory Team, to more nebulous Community Resource Boards that sought to advise the resource ministries on strategic and operations issues. This complicated web of sub-working groups and advisory teams is illustrated in Table 4, which displays the complexity of the process, and the extent to

¹² Mining Association of British Columbia, “Mining Industry Withdraws from Land and Resource Management Planning Process” News Release, January, 1999. – The mining industry specifically cited the creation of more than 225 special management zones as a reason for withdrawing from further land-use planning.

¹³ Government of British Columbia, *Vancouver Island Summary Land Use Plan*, 35. Typographical error in original.

which land-use planning in the 90’s departed from historic norms, where the only landscape level management was done through the Ministry of Forest’s harvest allocation assessments.¹⁴

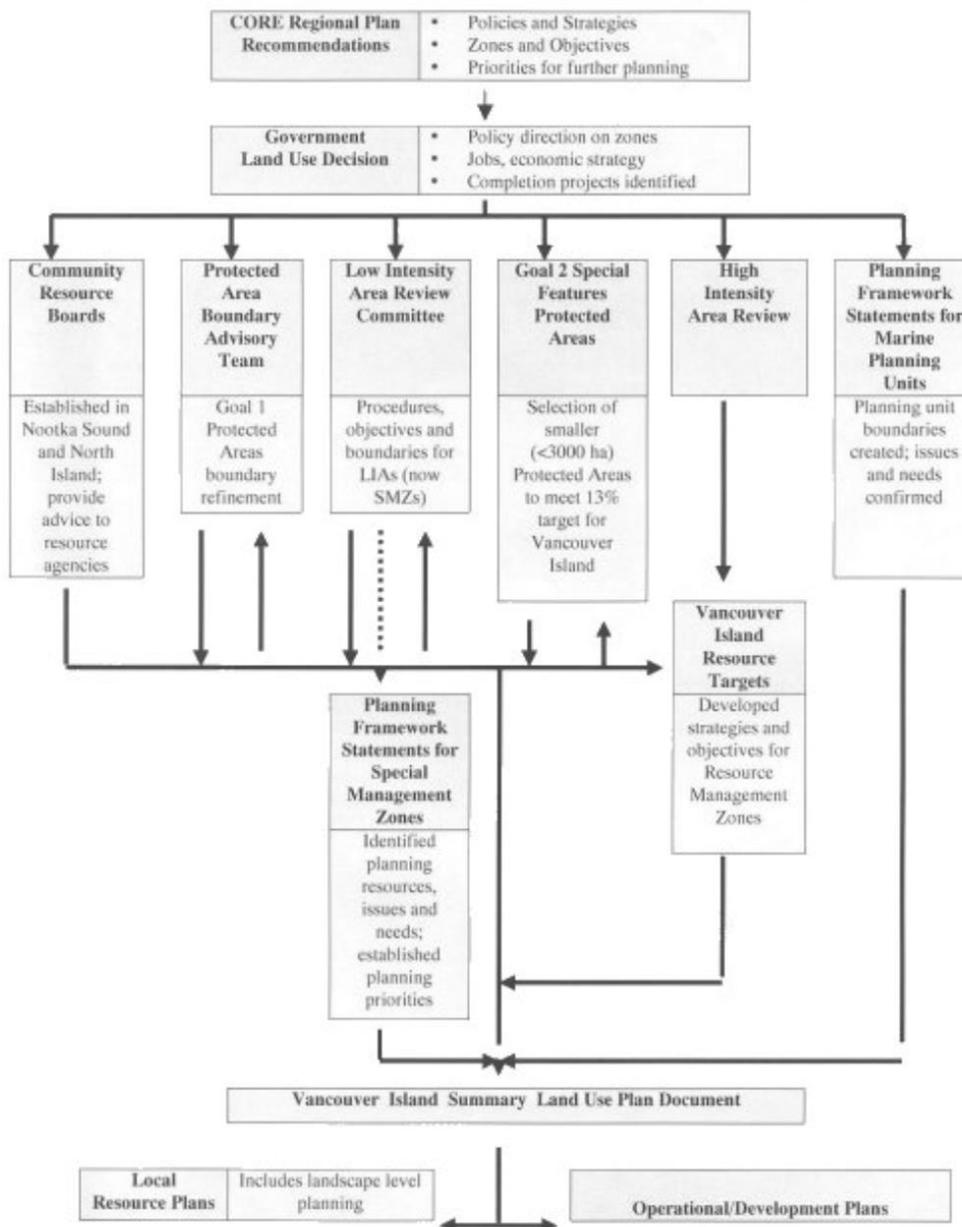


Table 4 – Vancouver Island Planning Process¹⁵

¹⁴ Michael Mascarenhas, “Understanding Land and Resource Management Planning Processes in British Columbia: A Qualitative Approach” (Master of Science Thesis, UBC, 1999) 3-4.

The complexity of multiple value land zoning meant that the impact of the plans on the mining industry was initially unclear. By the end of the decade, however, the mineral industry strenuously objected to this zoning process, claiming it generated so much uncertainty as to impede their acquisition of capital.¹⁶ Additionally, the new regulatory regime created through this zoning approach was layered atop existing regulatory structures. This created an extra layer of complexity and gave government bureaucrats greater discretion when making land use decisions.¹⁷

CORE largely met its policy objectives of bringing environmental stakeholders and their non-extractive values into the resource management regime, and was an effective mechanism for reaching the 12 percent park target introduced through the Protected Areas Strategy in 1993. While in operation, however, CORE consumed political capital and was unable to end the series of resource conflicts that led to civil disobedience, arrests, and disrupted resource extraction. Unfortunately, the consensus-seeking CORE tables mirrored the broader conflict over resource management, fracturing into free-enterprise development versus environmental preservation coalitions. Despite the rise of these coalitions, CORE's "ambitious provincial land use strategy" was the foundation on which the War in the Woods was eventually managed to a simmer, and environmental values were integrated into forest decision making.¹⁸

¹⁵ Government of British Columbia, *Vancouver Island Summary Land Use Plan*, 20.

¹⁶ Mining Association of British Columbia, "Mining Industry Withdraws from Land and Resource Management Planning Process" News Release, January, 1999. – The mining industry specifically cited the creation of more than 225 special management zones as a reason for withdrawing from further land-use planning.

¹⁷ Jackson, "Regional Development and Land Use Planning in Rural British Columbia" 439-443.

¹⁸ "Mining Faces Many Political Issues," *Mining in B.C.* 5, no.11 (November, 1992), 3.

The NDP disbanded CORE in 1996, replacing it with the Land-Use Coordination Office (LUCO), which operated within the traditional structures of the public service and focused on “sub-regional” Land and Resource Management Plan (LRMP) processes. Like CORE, LRMP processes relied on consensus-based multi-stakeholder roundtables to develop prescriptive zones, but empowered government to take a more active role in managing the process.

CORE: The Mining Industry’s Initial Response

The mining industry’s immediate response to CORE was wholly positive. The MABC expressed satisfaction both with the NDP’s choice of Stephen Owen as commissioner and government’s active role in resolving the “uncertainties surrounding land use and resource development rights.”¹⁹ Explaining the importance of public engagement to MABC members, Waterland emphasised that although “land use confrontations usually involve other resources” there was a need to ensure that “...any land use strategy for BC must consider the province’s mineral resources.” He placed specific emphasis on the need for the rural, resource-dependent population to participate in the CORE process:

We are pleased that planning will be conducted in the regions with significant input from local residents within the regions. These people derive their livelihoods from use of resources and are therefore more directly dependent on their proper use than many of our urban dwellers. It is essential that their involvement in developing a land-use strategy be given every consideration.²⁰

With defence of the status quo no longer tenable, the MABC highlighted both the economic advantage of settling the War in the Woods and the need for compromise.

¹⁹ “Resources Commissioner Stephen Owen was a `ray of light` for mine managers,” *Mining in B.C.* 5, no.5 (May, 1992), 7.

²⁰ “MINING ASSOCIATION PLEASED WITH ESTABLISHMENT OF A RESOURCE COMMISSION,” 9.

Waterland noted that “there are no simple solutions to the many land use issues before us. Therefore, a means of resolving them within a constructive, cooperative forum is essential... an attitude of compromise is essential to resolving these issues.” Waterland went on to affirm that the very existence of the industry depended upon resolution of land-use conflicts. Although the mining sector’s approach to compromise certainly included the hope that the conservation sector’s preservationist beliefs would become tempered, and mining interests protected, Waterland and the MABC were acknowledging the complexity of land management in the 1990s when they emphasised the need for compromise and cooperation. The MABC was seeking to establish recognition among its membership that land-use planning, while fraught with challenges, offered a path to resolving the disputes with environmentalists, which would allow industry to “prosper in the future.”²¹

The industry itself clearly articulated that engagement with government and the public was essential to maintaining profitability. CORE’s regional engagement structure provided a space in which to rally public support in rural, resource-dependent communities; a tactic used by the industry twenty years earlier during the *Mineral Royalty Act* (MRA) dispute. Industry leaders also believed that CORE provided them a means to mitigate government’s ability to make unilateral, sweeping, and centrally-planned changes to regulatory structures, as under the Barrett NDP.

The mining industry’s efforts to engage with the BC government and the public largely framed mining as contributing to the high standard of living enjoyed by British Columbians. The economic outlook was darkening, however; prior to the election of the

²¹ "MINING ASSOCIATION PLEASED WITH ESTABLISHMENT OF A RESOURCE COMMISSION," 9.

Harcourt government the MABC warned its members that mining was entering a period of contraction.²² The decline in mineral values that the MABC warned of in 1989 and 1991 became reality in the years immediately following the NDP's election. In the context of mounting economic hardship, the mining industry became less accepting of protracted CORE negotiations, and by the end of 1993 concluded that government was not acting in accordance with the traditional promoter-liquidator role, leading both the MABC and BCYCM to openly attack NDP decisions.

1993: The Protected Areas Strategy, Windy Craggy, and New Leadership at the MABC

The industry's recognition of engagement's necessity, and their willingness to participate in land-use planning faded rapidly as the NDP's first term in office progressed. This change was driven by specific government decisions, a worsening economic outlook, and the discrediting of CORE's ability to effectively integrate mining into its land-use planning processes.

The summer of 1993 saw a sudden deterioration in industry-government relations as mining interests began articulating their concerns with the forestry and park expansion focus of the land-use planning process. This change of tone accompanied a change in the MABC's executive leadership that saw Gary Livingstone replace Tom Waterland as president in February 1993. Events over the next few months confirmed the mining industry's fears that its traditional promoter-liquidator relationship with government was coming to an end. In June of 1993 the NDP formalized its preservationist policy by adopting the Protected Areas Strategy (PAS) and its accompanying 12 percent park

²² "Mining Industry Has Uncertain Future," *Mining in B.C.* 2, no. 9 (September, 1989), 4; and, "Future for mining in 1990's is mixed" *Mining in BC* 4, no. 5, (May 1991), 1,4.

target. Less than a month later Harcourt and his cabinet prohibited the development of the Windy Craggy mine project in northwestern BC, a perceived betrayal that remained in the collective consciousness of the mining industry for decades. Indeed, in 2014 *Business in Vancouver* columnist Nelson Bennett highlighted the Windy Craggy decision as a pivotal event in making the 1990s a “lost decade” for the sector.²³

Leadership Change at the MABC

With Waterland’s resignation in February 1993 the reins of the province’s most powerful mining lobby group passed to Gary Livingstone.²⁴ Waterland, the Socred minister responsible for dismantling the Barrett NDP’s mining reforms in 1976, had been chased from political office in 1986 following substantiated conflict of interest allegations, and landed as the head of the MABC. Following the Strathcona Park dispute in 1988 he had been outspoken about the urgent need to work with the public and First Nations, warning that the future of the industry depended upon meaningful engagement with both.²⁵ Waterland had been particularly conciliatory in noting that the 1990’s demanded “a different relationship between native people and resource users.” Clarifying this new relationship Waterland articulated that “if we are going to be working closely with these people in the future we must try to understand them and give them an opportunity to understand us and our industry.”²⁶ Waterland did direct criticism at a number of NDP

²³ Nelson Bennett, “BIV 25th Anniversary: B.C. Mining sector’s lost decade,” *Business in Vancouver*, December 4, 2014. Last retrieved online September 23, 2016 < <https://www.biv.com/article/2014/12/bc-mining-sectors-lost-decade/>>.

²⁴ “Tom Waterland Changes Career,” *Mining in B.C.* 6, no.2 (February, 1993), 1.; “New President for Mining Association,” *Mining in B.C.* 6, no.3 (March, 1993), 1.

²⁵ “Quotable Quotes” *Mining In B.C.*3, no.11 (November, 1990):4.; and , see chapter two for details on Waterland’s role in replacing the MRA.

²⁶ “Native Land Claims Will Be a Big Issues” *Mining In B.C.*3, no.11 (November, 1990):1-2.

policies, including the delayed compensation for mineral claims overlapping new parks,²⁷ increased permitting timelines,²⁸ the complexity of duplicate federal and provincial environmental assessment processes,²⁹ and the provincial government's adoption of costly environmental controls.³⁰ These complaints, while employing the industry's traditional rhetorical depiction of itself as "fragile" and perpetually on the edge of collapse, did not constitute a deliberate and aggressive public relations campaign against the NDP's broader natural resource policy or the government itself.

Livingstone, lacking Waterland's political experience and seemingly much less willing to engage with unaligned interests, took the industry in a new direction, establishing the MABC as an adversary of government and a disgruntled participant in the public dialogue on resource use.³¹ New demands for government support reflected an uncompromising rejection of alternative values. Livingstone directly blamed government for the decline of the mining industry and dismissed stimulus tax cuts as simply "not enough."³² He went so far as to challenge the legitimacy and competency of cabinet, proposing that their responsibility for mining-related policy development be transferred to a joint industry-government taskforce.³³

²⁷ Keith Baldrey, "'Draconian' Compensation Freeze will Force Mining Firms to Flee B.C., Official says" *Vancouver Sun*, May 1, 1992, A2.

²⁸ Patrick Durrant, "Miners Present Woes to Victoria: 'Fragile' Industry Explained," *Vancouver Province*, February 20, 1992, B20.

²⁹ "Mining Rules 'Too Tangled'," *Vancouver Province*, November 8, 1991, B15.

³⁰ Rod Nutt, "Mining Sector Warns of Impending Collapse: Government Policies Blamed," *Vancouver Sun*, February 20, 1992, D2.

³¹ "Premier's forum—progress is measured one step at a time," *Mining Quarterly* 1, no.1 (Spring, 1994), 2.

³² Rod Nutt, "BC's Mining Woes Blamed on NDP," *Vancouver Sun*, April, 1994, D4.

³³ "Premier's forum offers hope," *Mining in B.C.* 6, no.8 (September, 1993), 1-2.

Reducing the complex issues of environmental protection and community development to a singular concern over the economic viability of mining in BC, Livingstone took Waterland's complaints about specific policy directions and transformed them into an anti-government campaign that left little room for the mining industry to work with the public or environmentalists. In the years leading up to the industry's withdrawal from public engagement in 1999 he fostered an adversarial relationship with NDP governments, leveling *ad hominem* attacks on politicians, referring to the Harcourt government as a "disgrace" and Harcourt himself as "incompetent."³⁴

Livingstone's active promotion of aggression against the government was made clearest following the MABC's replacement of its monthly community newsletter, *Mining In B.C.*, with a quarterly publication, the *Mining Quarterly*. This publication no longer aimed to maintain a sense of mining community, instead devoting itself to adversarial lobbying. Updates on mineral-related events and letters to the editors vanished. Whereas the monthly newsletter had welcomed articles written by the mines minister, the *Mining Quarterly* offered no such opportunity for the minister to address the mining community. This seemingly small change in MABC communications eliminated government's only unfiltered avenue to communicate with the organization's membership.

Although Livingstone set the tone for the mining community's view of the government, the changing tone cannot be attributed to him alone. He assumed the presidency at a time when a global downturn in metal prices strained the industry, and the

³⁴ "Harcourt's Land-use Policies are Costing Canadians Too Much," *Mining Quarterly* 2, no.1 (Spring, 1995), 3.

NDP government was preparing to make a series of decisions that damaged the sector's outlook.

Recognizing the Challenges of Consensus-based Land-use Planning

In 1993 the industry's support for government planning processes began to erode.

Extensive protests in Clayoquot Sound showed that CORE's regional land-use planning process had little chance of providing the smooth path to tenure stability that mining expected. The CORE model, which elevated many marginalized actors to positions of power within its consensus-based decision-making structure, failed to account for the mineral industry's particular relationship with localized landscape alteration and secretive exploration. This shortcoming, coming to light only after CORE was well on its way to zoning the BC land base, became a central complaint of the mining industry. In addition, the forestry and preservationist focus of CORE put the sector into the unfamiliar and unwelcome role of a secondary user. Kevin O'Kane articulated the industry's concerns with the composition of the planning tables in March of 1993, arguing that the Vancouver Island "CORE process is being loaded with environmental activists with hidden agendas."³⁵ The industry was also unable to rely on support from the Mines Department as CORE limited the role of specific ministries at the planning table. Historically, the mines department had positioned mining as the primary user of the land base within any multi-use discussion.³⁶ In the new CORE environment, mining was not automatically

³⁵ Kevin O'Kane, "Too many hidden agendas involved in CORE process," *Mining in B.C.* 6, no.2 (February 1993), 6.

³⁶ W.E. Cochrane, "Land in British Columbia: Some recent policy Developments Part 1: From Commodity to Resource: Integrated Land Use Management," *BC Group Working papers*, undated. Available at Uvic Special Collections: CA UVICARCH AR020.

recognized as the highest and best use of the land, and industry did not enjoy the level of support from the agency it had come to expect.

As the CORE process dragged on, public and institutional pressure to resolve dissatisfaction with forest harvesting practices reached a fever pitch in 1993. The BCRTEE, unsatisfied by the pace of action, stated that "the fundamental changes required to achieve sustainability are not happening quickly enough."³⁷ Preoccupied with conflict between the forest sector and the environmental movement, the NDP's March 1993 throne speech placed the resolution of land-use conflicts alongside healthcare and long-term economic growth as the top three challenges facing the province.³⁸ Yet even as frustrations increased, no action was taken to strengthen CORE's responsiveness to mining industry concerns or to recognize its special relationship to the land.

Bruce McKnight, the BCYCM representative to CORE, complained that the sector was unable to make meaningful contributions because other participants possessed only superficial knowledge of the mineral development process.³⁹ This belief, that only mining executives understood mining, reflected the industry's long-held perception that government, and the public service, was comprised of inexperienced or incompetent people.⁴⁰ In the spring of 1993, CORE commissioner Owen admitted that the CORE process was failing mining and that government was inadequately equipped to deliver on its promises. In an address to the business community he stated, "We need a mining

³⁷ *Sustainability: From Ideas to Action*, British Columbia Roundtable on Environment and the Economy, July 1993, 21.

³⁸ British Columbia Legislative Assembly, *Debates*, March 18, 1993, 4703-4706.

³⁹ Bruce K. McKnight, "Land-Use Planning and Resource Allocation" *Mining Quarterly* 1, no.3 (Winter, 1994), 2-3.

⁴⁰ Gamey, "Interview with R. Higgs", 5.

sector advisory group to be involved with the Commission. There are a lot of things that only the mining sector can give leadership on.”⁴¹ A CORE advisory body like the one Owen discussed was not formed, but a Premier’s forum on mining was established, which led to collaboration on non-land use planning issues in the late 1990s.⁴² However, more fundamental and structural problems ultimately led to the industry’s waning desire to participating in public engagement processes.

As 1993 progressed CORE became ever more fixated on resolving forestry-related disputes. As one Ministry of Forests ecologist remarked to Master’s student Michael Mascarenhas in the late 1990s, “The forest industry had so much power that they basically got what they wanted.”⁴³ McKnight explained to graduate student Mae Burrows that, over the course of 1993, the CORE process had become a dispute resolution mechanism constructed within the polarized political culture of BC forestry disputes, and was a poor substitute for thorough, economically-focused natural resource management. McKnight commented that the CORE process was “more appropriate in something like a two-party negotiation, like a business dispute or a marital dispute with a man and a wife negotiating over something and they have a mediator with them, helping them out.”⁴⁴

The Protected Areas Strategy

Mining sector concerns deepened as the NDP adopted the preservationist portion of their resource management agenda. In June 1993 the NDP formalized its park expansion

⁴¹ “CORE needs special advisory groups,” *Mining in B.C.* 6, no.3 (May, 1993), 1.

⁴² Rod Nutt, "Mining Industry gets help from B.C.," *Vancouver Sun*, April 22, 1998, D1.

⁴³ Mascarenhas, “Understanding Land and Resource Management Planning Processes in British Columbia” 49.

⁴⁴ Burrows, “Consensus Negotiation: Conflict Resolution or Containment Vancouver Island”, 4240-41.

agenda, establishing the Protected Areas Strategy (PAS) and a target of preserving 12 percent of the BC land base in parks or other designations that excluded natural resource extraction.⁴⁵ The proposed doubling of the province's park system by the end of the decade was antithetical to the mining industry's interest in maintaining access to the land base. The industry had long argued that it required unrestrained access to large tracts of unexplored land, and the PAS's restriction of this access was a core component of its justification for withdrawing from the land-use planning in 1999.⁴⁶

Compared to other provinces, BC's PAS was exceptional in constituting a proactive, rather than reactive, approach to the preservation of land.⁴⁷ Like CORE, the PAS was the result of recommendations and reports generated in the late 1980s and early 1990s. The 1987 Bruntland report on the state of the global environment⁴⁸ provided a damning indictment of the world's predominant approach to resource management, what Peel had referred to as "old values" in his 1991 FRC final report.⁴⁹ Brian Mulroney's federal government championed the Bruntland report and contributed to the organizing of a major international environmental management conference in Rio de Janeiro in 1992.⁵⁰ "Rio 92," as it came to be known, included the recommendation that a minimum of 12 percent of the planet needed to be free from industrial development to maintain

⁴⁵ Clare Ogilvie, "Presto! B.C. parks doubling," *Vancouver Province*, May 6, 1992, A7.

⁴⁶ Mining Association of British Columbia, "Mining Industry Withdraws from Land and Resource Management Planning Process," News Release, January, 1999.; and "Quotable Quotes," *Mining In B.C.* 2, no.3 (March, 1990), 13.

⁴⁷ Gerald Hodge, and Ira Robinson, *Planning Canadian Regions* (Vancouver, UBC Press, 2013), 196-197.

⁴⁸ World Commission on Environment and Development, *Our common future* (Oxford: Oxford University Press, 1987), 43-46. This reference includes specific discussion of how to define sustainability, and the values that are inherent to such a definition.

⁴⁹ Forest Resources Commission "The Future of Our Forests," April 15, 1991, 6-8.

⁵⁰ "Plans Underway For Major Environment Conference to be held in March, 1990" *Mining in BC* 2, no. 7 (July 1989): 6.

biodiversity and a sustainable environment. Mulroney's government endorsed this target, and the BC government was the first province to formally adopt, and then achieve, the 12 percent target.⁵¹

When the Harcourt NDP took office, BC parks accounted for just over 5 percent of the province. By the time the mining industry withdrew from land-use planning in 1999, the 12 percent target had been reached and an additional 6 percent of the province was under evaluation for potential park status.⁵² CORE and its successor planning processes were the primary mechanism for developing new protected areas. Each regional planning table took on the debate over what lands would exclude extractive resource development through park designation. The PAS's linkage to CORE further empowered non-traditional resource management actors and weakened the mining industry's ability to argue for its unconstrained access to the land base. The issue became more prevalent as the mining industry attacked the perceived ignorance of CORE's conservation sector participants and attempted to frame the 12 percent target as a cap on parks.⁵³

With no compensation structure in place for claims rendered useless by new parks, the mineral exploration sector risked substantial financial losses and an inhibited ability to acquire capital. In the spring of 1992 the NDP introduced legislation that froze any compensation claims against government for mineral claims or forestry tenures

⁵¹ Gerald Hodge, and Ira Robinson, *Planning Canadian Regions* (Vancouver, UBC Press, 2013), 196-197.

⁵² Mining Association of British Columbia, "Mining Industry Withdraws from Land and Resource Management Planning Process," News Release, January, 1999.

⁵³ "Premier's forum—progress is measured one step at a time" *Mining Quarterly* 1, no.1 (Spring, 1994), 2. and; Mining Association of British Columbia, "Mining Industry Withdraws from Land and Resource Management Planning Process," News Release, January, 1999.

impacted by park development until completion of a report on the issue.⁵⁴ The industry response to this was, predictably, unfavourable, and compensation remained a substantial point of conflict until 1998, when industry and the Glen Clark administration collaborated to develop compensation legislation.⁵⁵

The PAS affirmed the NDP government's view that mining was not inherently the highest and best use of the land. In elevating conservation sector actors within land-use planning and explicitly limiting the mining industry's access to the land base, the NDP government had once again broken trust with the sector. As leading academic George Hoberg reflected, "the government became far more responsive to the environmental agenda, especially during the Harcourt years."⁵⁶

Windy Craggy

Nothing illustrated Hoberg's point more clearly than the Windy Craggy episode. On June 22 1993, just after the release of the PAS, the NDP cabinet denied a major copper-gold mining proposal, creating in its place a provincial park in the Tatshenshini-Alsek region of northwestern BC.⁵⁷ The Windy Craggy deposit was estimated to be worth \$15 billion and the mine would have been the first large-scale copper project to be developed in more than a decade.⁵⁸ The Windy Craggy decision confirmed in the minds of the

⁵⁴ Keith Baldrey, "'Draconian' Compensation Freeze will Force Mining Firms to Flee B.C., Official says," *Vancouver Sun*, May 1, 1992, A2.

⁵⁵ Rod Nutt, "Mining Industry gets help from B.C.," *Vancouver Sun*, April 22, 1998, D1.

⁵⁶ Hoberg, "Bringing the Market Back In: BC Natural Resource Policies During the Campbell Years", 334.

⁵⁷ George Hood, "Windy Craggy an Analysis of Environmental Interest Group and Mining Industry Approaches," *Resources Policy* 21, no.1 (March 1995): 13-20.

⁵⁸ British Columbia Commission on Resources and Environment, *Interim Report on Tatshenshini/Alsek Land Use: Report and Recommendations*, 1993, 44.; and "Lobby Group Raves About Huckleberry," *Victoria Times-Colonist*, January 4, 1996, 1.

mining industry that the NDP government, seeing itself primarily as a land manager, had no intention of serving as an industry promoter.

Geddes Resources began work on the Windy Craggy deposit in the early 1980s and by 1988 was ready to begin the mine development review process.⁵⁹ The project was slated to move to full development in the early 1990s; however, extensive environmentalist opposition had begun to garner substantial international attention. The environmental concerns focused on the risks posed to trans-boundary rivers that passed from BC into the Alaskan panhandle before reaching the Pacific Ocean. Even American Vice President Al Gore expressed concerns about the scale and complexity of the project.⁶⁰ Of particular concern was a 242-kilometre pipeline that would pump mineral slurry from the mine site to the neighboring Alaskan port town of Haines, and plans to dump 151 million tonnes of waste material on a nearby glacier.⁶¹ During the initial mine development review process, the BC Ministry of Environment (MoE) objected to the mine because its waste rock storage and transportations plans posed substantial risk to the environment. In 1990, the MoE recommended that the review process be restarted with a new, more detailed submission. The mines department recognized the same

⁵⁹ British Columbia Ministry of Energy Mines and Petroleum Resources, “British Columbia Exploration Review 1983,” Information Circular 1984-1, January 1984, 10.

⁶⁰ Joshua Walters, Shi-LingLing Hsu, and Gareth Duncan “Windy Craggy: Mining in British Columbia,” University of British Columbia Faculty of Law Informational, 2007, 65. Last retrieved: Dec. 18 2017, Available at: <http://www.allard.ubc.ca/sites/www.allard.ubc.ca/files/uploads/enlaw/pdfs/windycraggy_05_15_09.pdf>.

⁶¹ Michael Down VP Tatshenshini Wild to Windy Craggy Mine Development Steering Committee Chairman Norm Ringstad, “Windy Craggy Revised Stage 1 Mine Plan”, Letter, March 3, 1991.

inadequacies, but felt that they could be addressed in subsequent stages of review, and recommended continuing the existing process.⁶²

Inheriting this controversial review process, the Harcourt government cancelled it outright, and tasked CORE with completing a new comprehensive review of the project in 1992.⁶³ This turn of events troubled the mining industry, which questioned whether government should even contemplate not allowing a mine to enter development after substantial exploration investment had already occurred.⁶⁴ Anne Edwards, the minister responsible for mining, refused to affirm the industry's belief in a right to mine, noting that "It's a pretty unsavory decision no matter which way it goes."

Taking on such a high-profile project review for the first time CORE produced a short, interim report that highlighted three broad alternatives for future action: an environmental option, a mining option, and a delay option.⁶⁵ However, CORE never issued a final report as cabinet decided to create the Tatshenshini-Alsek Provincial Park before staff could complete their work.⁶⁶ The government's decision not to allow CORE to complete its final report bred further distrust of government, and undermined industry confidence in CORE's ability to operate effectively as an impartial, arm's-length body.

⁶² David Parsons, Ministry of Environment to Windy Craggy Mine Development Steering Committee Chairman Norm Ringstad, Memorandum, June 20, 1990. Reproduced in full in: Joshua Walters, Shi-LingLing Hsu, and Gareth Duncan "Windy Craggy: Mining in British Columbia," University of British Columbia Faculty of Law Informational, 2007.

⁶³ "CORE to examine tatshenshini-alsek land use issue," *Mining in B.C.* 5, no.11 (November 1992), 13.; and, Keith Baldrey, "Mine on Hold for Year-Long Owen Study," *Vancouver Sun*, July 21, 1992, D1.

⁶⁴ Keith Baldrey, "Mine on Hold for Year-Long Owen Study" *Vancouver Sun*, July 21, 1992, D1.

⁶⁵ British Columbia Commission on Resources and Environment, *Interim Report on Tatshenshini/Alsek Land Use: Report and Recommendations*, 1993.

⁶⁶ Joshua Walters, Shi-LingLing Hsu, and Gareth Duncan "Windy Craggy: Mining in British Columbia," University of British Columbia Faculty of Law Informational, 2007, 9-10.

This decision harkened back to the actions of the earlier Barrett NDP, who reneged on agreements and was accused of acting out socialist doctrine through its mining policies.⁶⁷

The industry's response to Windy Craggy was swift and direct.⁶⁸ Recognizing the impact that the decision would have on investment markets, *Business in Vancouver* columnist David Mitchell summarized industry's dire predictions by warning government that "the killing of the Windy Craggy mine will have repercussions for a mining industry now under siege in our province."⁶⁹

In the shadow of the Windy Craggy decision, Livingstone used the MABC monthly newsletter to paint a gloomy picture of an industry dying under the weight of regulation and uncertainty, while editorials singled out and attacked the CORE land-use planning process.⁷⁰ Challenging government's land-use planning system, the MABC asserted that: "we can reverse this trend [the uncertainty caused by government policy] but it requires a change in attitude from our current government." A defiant Livingstone asserted that "it is time that government assumed its responsibility for the mining industry."⁷¹ In the first edition of the new *Mining Quarterly*, the MABC characterized

⁶⁷ See Chapter One for further information on the Barrett government's denial of a prearranged smelter subsidy in 1972.

⁶⁸ "Harcourt Resignation" *Mining Quarterly* 2, no.3, (Winter 1995), 2.

⁶⁹ *Business in Vancouver* columnist David Mitchell quote from the July 13-19, 1993, issue of BIV. Found in Nelson Bennett, "BIV 25th Anniversary: B.C. Mining sector's lost decade," *Business in Vancouver*, December 4, 2014. Last retrieved online September 23, 2016 < <https://www.biv.com/article/2014/12/bc-mining-sectors-lost-decade/>>.

⁷⁰ "Change of Attitude Needed by Government: If Mining is to Survive," *Mining in B.C.* 6, no.8 (September, 1993), 1.; and, "Record Does Not Show a Commitment to Mining Concerns," *Mining in B.C.* 6, no.8 (September, 1993), 4.

⁷¹ "Change of Attitude Needed by Government: If Mining is to Survive," *Mining in B.C.* 6, no.8 (September, 1993), 1.

the Windy Craggy decision as a betrayal, and accused government of using the mining industry for its own political advantage:

This ill-conceived political decision, generally accepted as having been made to appease criticism by the environmental sector on the governments earlier decision on the treatment of protected areas in the Clayoquot Sound region of Vancouver Island ignores the impact on northern communities, workers, natives, industry and tax payers and seriously questions the shared decision making approach for optimization of land use in the province, so promoted by the government and which we espouse.⁷²

This was a total departure from the rhetoric of compromise, engagement, and public participation that had been so abundant just one year earlier, reflecting the importance of the Windy Craggy decision as a turning point in the NDP-mining industry relationship.

The impact of the Windy Craggy decision on the mining industry's collective understanding of its past can hardly be overstated. Windy Craggy left a legacy of bitterness for decades to come; it was often mentioned at industry conferences and was memorialized in print as late as 2014.⁷³ A 2011 annual poll conducted by the free-enterprise Fraser Institute on the relative mining-friendliness of BC remarked on Windy Craggy's staying power in the industry's imagination: "[it] tells you how long memories are," the study claimed, "and it's a warning to government to get things right because people remember."⁷⁴

⁷² "Industry Seeks Review of Windy Craggy Process," *Mining Quarterly* 1, no.1 (Spring, 1994), 1.

⁷³ Nelson Bennett, "BIV 25th Anniversary: B.C. Mining sector's lost decade," *Business in Vancouver*, December 4, 2014. Last retrieved online September 23, 2016 <<https://www.biv.com/article/2014/12/bc-mining-sectors-lost-decade/>>.

⁷⁴ "Land-use issues tarnish B.C. mining reputation," *Business in Vancouver*, March 7, 2011. Last Retrieved online September 23, 2016 <<https://www.biv.com/article/2011/3/land-use-issues-tarnish-bc-mining-reputation/>>

1994-1999: Industry Turns Adversarial and Withdraws from Land-use Planning

From 1994 to 1999, the mining industry's earlier dialogue on compromise and multilateral public engagement gave way to adversarial rhetoric that attacked the NDP's new, more environmentally conscious regulatory regime. At its foundation, the industry's resistance was founded on its perception that the pact between government and mine operators was broken by the NDP government's failure to provide mining capital with priority access to land, special regulatory dispensation, and above all, secure tenure.⁷⁵ When faced with an NDP government that was unwilling to accept this role, the mining industry withdrew from land-use planning in 1999.

Like the previous anti-MRA campaign, industry claimed that the NDP government was simply unfit to govern. Specifically, industry attacks charged that NDP policy decisions threatened the economic prosperity of the province. Government efforts to address the needs of the mining industry, described below, were dismissed as half measures. Even the approval of new mine projects did little to soften industry's adversarial position.

Between 1994 and 1998 the NDP government established a special premier's forum on mining, introduced new tax incentives, and appointed a mining advocate to represent the sector's interests inside the government bureaucracy. Industry denied that any of these actions addressed its core concerns, maintaining its insistence that government resume the traditional role by exempting mining from most land-use

⁷⁵ Remarks of the MABC quoted in: British Columbia Legislative Assembly, *Debates*, June 10, 1997, 2354. "The government needs to support their job creation initiatives with tangible evidence of their commitment. A demonstrated positive attitude toward mining would include secure mineral title, land access certainty, and rationalized and streamlined regulations."

planning controls and enshrining a preferential place for the industry within BC's resource management regime. The BC NDP did not acquiesce to these expectations.

The 1994-1999 period is presented here in two parts. The first tracks the mining industry's visceral attacks on government officials and land-use planning from 1994 until the NDP's re-election in May 1996. The second follows the less aggressive relationship between industry and government which lasted from after the 1996 election to industry's sudden withdrawal from land-use planning in January 1999. Throughout both periods, the industry's attacks on CORE and land-use planning in general reflect an effort to resist the NDP's new environmental regulations and advocate for a return to the traditional role. This section also investigates how the mining industry seized upon traditional left-right, and urban-rural binaries to mobilize resistance against the government's policies and its bureaucratic institutions.

1994-1996: Adversarial Relations and Demands for Special Consideration

Over the course of 1994, as CORE finalized its land-use plans, mining interests demanded that government recognize a special place for them in the new regulatory regime. In the spring of 1994, the first issue of the MABC's new *Mining Quarterly* opened with a firm assertion that the mining industry was displeased with the current situation and was unwilling to accept the NDP's new status quo:

The fact of the matter has been that government policies and regulations have made it very difficult for mining in British Columbia. This has got to stop, the trend reversed and the partnership between government and the people who earn their living from the industry restored.⁷⁶

The reference to "partnership" harkened back to an earlier time in which government put the interests of the mining industry above those of other land and resource users. This

⁷⁶ "Premier's forum—progress is measured one step at a time," *Mining Quarterly* 1, no.1 (Spring, 1994),2.

was not a completely new demand of government. In 1992 the MABC had demanded government support of, indeed service to, the industry: “We need somebody who will come and listen to us and act on our behalf...We’d like an attitude change. If only they said when we walked in ‘Hi how can we help you?’”⁷⁷ Consistent with this view, the industry called for a return to a form of bilateral relations in 1994. That the public no longer supported this relationship seemed not to matter; the industry chose to ignore that it once believed that “public involvement is here, and it is here to stay.”⁷⁸

As 1994 progressed, industry attacked every aspect of the comprehensive land-use planning tables they had once urged government to call.⁷⁹ The stability promised by the NDP had not appeared, and industry blamed the planning process for failing to recognize mining’s special relationship to the land.⁸⁰ The industry believed that the hidden nature of minerals, as well as the high risk and capital-intensive nature of mining was being ignored by a process designed to resolve disputes over parks and old-growth logging. Industry’s view was that the planning process was broken, its operations were biased, the land was overly protected, the special management directions prohibitively costly, and the inclusion of environmentalists in the decision-making process prohibited the recognition of the industry’s special relationship to both government and the land. With such a long list of foundational complaints the mining industry was beginning to reject the very concept of land-use planning.

⁷⁷ “Miners have major complaints with Victoria,” *Mining in B.C.* 5, no.8 (September, 1992), 2.

⁷⁸ “Public involvement is here to stay,” *Mining in B.C.* 4, no. 4 (April, 1991), 6.

⁷⁹ “Mining industry calls for land use strategy in policy paper,” *Mining In B.C.* 4, no. 5 (May, 1991), 9.

⁸⁰ “Premier’s forum—progress is measured one step at a time,” *Mining Quarterly* 1, no.1 (Spring, 1994), 2.

By the spring of 1995 CORE had recommended to cabinet land-use plans for three regions: Vancouver Island, the east and west Kootenays, and the Cariboo. The mining industry unanimously opposed all three in crafting a consistent message that the increased role of the state in resource development through land-use planning was “reckless economic strategy.”⁸¹ The MABC’s 1995 annual report stated that “land access uncertainty has been exasperated by the CORE process.”⁸² For the mining industry, BC was “no longer an attractive place to invest.”⁸³ The MABC called for a new mining policy that would include the narrowing of special management zones and a commitment that the 12 percent park designation target would not be exceeded.⁸⁴

The industry depicted itself as a misunderstood victim of land-use planning, subject to the ignorance of environmentalists who sat at roundtables alongside other biased and inexperienced stakeholders.⁸⁵ Consensus-building efforts were nothing more than “futile exercises, featuring a cast of thousands which goes round and round but never going anywhere.”⁸⁶

The mining industry paid special attention to CORE’s land-use plans for the Kootenays, arguing that these protected too much land thanks to a lack of “accountable representation.”⁸⁷ The MABC began lobbying for the adoption of a “Made in the East Kootenays” land-use plan that emphasised mining interests. CORE’s environmentally-

⁸¹ "The CORE Process," *Mining Quarterly* 2, no.3 (Winter, 1995), 1.

⁸² "Annual Report on the British Columbia Mining Industry," *Mining Quarterly* 2, no.2 (Fall, 1995), 3.

⁸³ "Other Miners May Spurn B.C.," *Victoria Times-Colonist*, October 25, 1994, A1.

⁸⁴ "New Mining Policy for British Columbia," *Mining Quarterly* 1, no.2 (Fall, 1994), 2-3.

⁸⁵ Bruce K McKnight, "Land-Use Planning and Resource Allocation," *Mining Quarterly* 1, no.3 (Winter, 1994), 2-3.

⁸⁶ "Premier’s forum—progress is measured one step at a time," 2.

⁸⁷ "Coal Mining and the CORE Process in the East Kootenays," *Mining Quarterly* 2, no.1 (Spring, 1995), 3.

focused roundtable participants were depicted as foreign sojourners, in contrast to locals who lived and worked in the Kootenays' many mining-dependent communities.⁸⁸

Predictably, the MABC's alternative plan promoted the expansion of coal mining and limited the size of new parks and special management zones. This public relations maneuver presented a binary between a mining industry plan that represented local interests and a government plan penned by aloof, Victoria-based bureaucrats and urban environmentalists.

To counteract land-use planning at the provincial level, the mining industry recommended an alternative mining-only land-use planning system.⁸⁹ CORE was inherently flawed, the argument went, because it approached mining like any other visible natural resource. Rather than accept the hidden nature of minerals CORE's "standard approach to dealing with mining's differences has been to ignore them." The result, Bruce McKnight wrote, was a catastrophic decline in investor confidence. The only remedy was "a separate mineral-specific process which parallels and overrides other land use planning," one that recognized the risks and costs associated with the "hidden nature" of minerals.⁹⁰

Another of industry's demands for special consideration was its long-standing argument that mining caused insignificant environmental damage. Just after the election of the NDP in 1991, MABC President Tom Waterland clearly stated the industry's view that mining was "much more environmentally responsible than society as a whole, and I can say this without contradiction." As McKnight put it in late 1994, concerns over

⁸⁸ "Coal Mining and the CORE Process in the East Kootenays," 3.

⁸⁹ Bruce K. McKnight, "Land-Use Planning and Resource Allocation," *Mining Quarterly* 1, no.3 (Winter, 1994): 2-3.

⁹⁰ McKnight, "Land-Use Planning and Resource Allocation," 2-3.

mining's environmental impacts were purely "in people's heads," and had no basis in reality. He went on to affirm that "Most exploration has no more impact on the land than that of a hiker taking photographs and picking blueberries."⁹¹ This framing of mining as an environmentally sensitive activity, along with its under-appreciated value as "a reliable source of tax revenue and an essential creator of economic wealth and job opportunities," sought to counter the environmental movement's view that mining was a destructive force beholden to foreign capital interests, with little actual connection to the province.⁹²

Relations between government and industry continued to sour, and by early 1995 the MABC replaced its previous dialogue on compromise and public engagement with *ad hominem* attacks against Premier Harcourt, and the NDP government. A *Mining Quarterly* article labelled him an incompetent liar, declaring that "Bob Rae is bad enough, but BC's socialist Premier Mike Harcourt takes the cake...Like Bob Rae he's a managerial incompetent [and] a disgrace."⁹³ These pointed criticisms epitomise the shift in rhetorical tone that occurred after the events of 1993.

In late 1995, a *Mining Quarterly* issue presented government with three demands, each of which reflected industry's desire to return to the traditional promoter-liquidator relationship. It demanded an exemption from more costly environmental requirements under the new Forest Practices Code,⁹⁴ a specific exemption from all

⁹¹ McKnight, "Land-Use Planning and Resource Allocation," 2-3.

⁹² "Changing the Image of Mining," *Mining Quarterly* 1, no.1 (Spring, 1994), 4.

⁹³ "Harcourt's Land-use Policies are Costing Canadians Too Much," *Mining Quarterly* 2, no.1 (Spring, 1995), 3.

⁹⁴ Forest Practices Code: this legislation developed standards of practice for all harvesting of timber from crown lands, and was highly controversial as it was seen by industry as increasing costs, and leveling unnecessary complexity onto the practice of forestry in the province. This was immediately repealed by the Liberal government in the early 2000's.

Special RMZs in the Kootenays, and a commitment from the province to press the federal government not to adopt a no-net-loss policy for fisheries management, which stood to impede timely permitting and increase costs associated with mineral exploration and development.⁹⁵ These demands reflected industry's increasingly strident attempts to reassume a special and superior place in BC's resource management regime, while government seemed insistent on layering additional non-mining-specific regulatory burdens onto their operations.

Mining industry communications justified these demands on the usual grounds of fragility. However, after suffering substantial losses in 1992, mining recovered rapidly over the next two years. In 1993 the coal sector was once again profitable and the mineral sector was nearly breaking even, posting just \$14 million in losses.⁹⁶ At the same time that the MABC directed an increasingly aggressive rhetoric towards the NDP's land-use policies, the industry was returning to profitability, posting profits of \$192 million in 1993, and spending 10 percent more in exploration than the previous year.⁹⁷ April 1994 also saw Eskay Creek, a new mid-size gold mine near Stewart, receive development approval after just six months of environmental and technical review. Then Minister of Mines Anne Edwards stated that this quick turnaround time was proof of the NDP's support for mining.⁹⁸ Similarly, the first major metal mine to be approved in nearly fifteen years, the Huckleberry project south of Smithers, was subject to just seven

⁹⁵ "Premier's Forum," *Mining Quarterly* 2, no.2 (Fall 1995), 2.

⁹⁶ Stew Lang, "BC's Mining Woes Blamed on NDP," *Victoria Times-Colonist*, July 14, 1994, A1.

⁹⁷ John Kilburn, "Problems plague B.C.'s mining industry," *Northern Miner* 81, no.15 (June 12-18, 1995). Last retrieved online September 23, 2016. <<http://www2.northernminer.com/news/problems-plague-b-c-s-mining-industry/1000159827/>>.

⁹⁸ Rod Nutt, *Vancouver Sun*, April 8, 1994, D3.

months of review before being approved in January 1996. The MABC responded favourably to the Huckleberry announcement. Livingstone even told Victoria's *Times Colonist* that "government deserves credit for allowing Huckleberry to proceed."⁹⁹

Throughout this period the Harcourt NDP seemed to have learned from the misadventures of Leo Nimsick and Dave Barrett, and displayed no interest in antagonizing the mining industry directly. Instead, the cabinet pledged to work with the industry to keep them "competitive and viable," celebrated expedited environmental reviews of new mining projects, and acted on an earlier commitment to create a special Premier's forum on mining that brought government, industry executives, and union representatives together.¹⁰⁰ Unsatisfied by these actions, mining interests reiterated their demands for additional special treatment, while pledging to hold the Harcourt government accountable for the promises it made.¹⁰¹ The MABC showed no magnanimity over Harcourt's departure after the Bingo-gate scandal in late 1995.¹⁰² Doing little to hide its joy over his resignation, the MABC noted that Harcourt "promised consultation and consensus. But for mining, in the face of the Windy Craggy decision, he had delivered neither."¹⁰³ The May 1996 election would determine whether the mining industry was to receive the respite it had experienced in 1975 or face another half-decade of NDP rule.

⁹⁹ "Lobby Group Raves About Huckleberry," *Victoria Times-Colonist*, January 4, 1996, 1.

¹⁰⁰ "MABC is Disappointed with Proposal" *Mining in B.C.* 6, no.9 (October,1993): 4.

¹⁰¹ Kilburn, "Problems plague B.C.'s mining industry."

¹⁰² Bingo-Gate Scandal: A former NDP elected official was implicated in the misdirection of gambling revenues for personal and party benefit. Although Harcourt was not implicated in these dealings he resigned in order to atone for the errors of his fellow party members.

¹⁰³ "Harcourt Resignation" *Mining Quarterly* 2, no.3 (Winter, 1995), 2.; and "The CORE Process," *Mining Quarterly* 2, no.3 (Winter, 1995), 5.

1996-1999: Continued Concerns and Withdrawal from Land-use Planning

The NDP maintained a slim majority in the 1996 provincial election despite a change in party leadership that saw Glen Clark replace Harcourt earlier that same year. Meanwhile, the reconstituted Liberal party under former Vancouver Mayor Gordon Campbell reunited the free-enterprise coalition and won the popular vote. With this weak mandate, Premier Clark continued the previous administration's attempts to work with the mining industry, while also forwarding the government's land-use planning agenda under the newly formed Land-Use Coordination Office (LUCO). Taking over from CORE, LUCO focused on the development of smaller, sub-regional Land and Resource Management Plans (LRMP) around the province.

Neither the Harcourt nor Clark governments utilized the antagonistic anti-capitalist rhetoric of the Barrett government, which made their transition to bilateral engagement and conciliatory policy modification less politically charged. Like the previous Barrett government, Clark softened his position on mining policy reform towards the end of his mandate and attempted to address industry's concerns. While not wholly embracing the traditional promoter-liquidator role, the Harcourt and Clark governments experienced institutional learning, and accepted the need to form less antagonistic corporate relations. Celebrating his government's support for the mining sector over the previous two years, Clark noted in the legislature in 1999 that:

We brought in legislation in the last session of the Legislature to reduce taxes for those exploring for mines in British Columbia. We brought in a mineral exploration code to streamline things to ensure that mining is alive and well in British Columbia and that rewards risk-takers and those who want to invest in mining. We brought in a right-to-mine act in British Columbia -- right here -- to send that message around the world¹⁰⁴

¹⁰⁴ British Columbia Legislative Assembly, *Debates*, May 10, 1999, 12362

Despite having made these changes, the NDP remained committed to collaborative land-use planning, and would not accept mining's demands for a special exemption from the new regulatory regime. In 1997, future Premier Dan Miller conveyed government's view that land-use planning was the superior way to make resource development decisions. Miller hailed land-use planning as a rational technocratic approach to the complexity of resource management, one that did not empower whoever could "mount the biggest offensive in the newspaper" or "put on the biggest demonstration." He went on to rebuke the haphazard approaches of previous Socred governments as "crazy and bizarre."¹⁰⁵

Although specific government decisions and policies continued to inspire substantial opposition, the more conciliatory approach of the NDP led to successful bilateral collaboration on a number of mining-specific policies in 1997 and 1998.¹⁰⁶ However, the NDP's mining-friendly policy modifications could not overcome their cardinal sin of failing to prioritise mining interests above all others, leading industry to withdraw from land-use planning in January 1999.¹⁰⁷

Prior to taking that decisive step, the mining industry continued to articulate its concerns with the cumulative impact of land-use planning on the long-term viability of the mining land base and the need for special dispensation. Towards the end of 1996 the MABC stepped up its lobbying efforts to rally rural support by depicting regulation as foreign, and rejecting the perception of mining as being environmentally damaging. Environmental degradation was a problem which existed only in the minds of urban

¹⁰⁵ British Columbia Legislative Assembly, *Debates*, June 10, 1997, 4130.

¹⁰⁶ Rod Nutt, "Mining Industry gets help from B.C.," *Vancouver Sun*, April 22, 1998, D1.

¹⁰⁷ John Schreiner, "B.C.'s mining minister pleads for co-operation: Industry digs in: Dan Miller defends government policy, land-use planning," *National Post*, January 27, 1999, C9.

meddlers, the MABC's Ken Sumanik declared in the *Vancouver Sun*.¹⁰⁸ The government's land-use plans were "Designed by 'higher-purpose people' who have never drawn a salary from anywhere but the public purse,"¹⁰⁹ he remarked, and bureaucrats in Victoria with common sense should "be listed near the top of the endangered species list." With typical hyperbole, Sumanik warned that CORE was "eating" at the mining land base at a time when "debt, unemployment and family hardships are knocking on the door."¹¹⁰ This discourse on foreign meddling was a strategy aimed at delegitimizing the province's regulatory regime in the minds of the rural population, whose interests industry claimed to represent.

Just months after Sumanik's attack on the foreignness of the CORE process, industry used similarly divisive language to attack the Province's new *Heritage River* designation, which began to be applied to rivers in 1996. Aimed at preserving the 'natural state' of culturally important river systems, the *Heritage River* designations had little regulatory force, but did elevate the public's awareness of specific rivers' cultural and environmental value. Livingstone defined the designation as an attack by leftist preservationists on free-enterprise values. Wielding "us versus them" rhetoric, he emphasised that "their philosophy represents the real threat to our heritage." "Creating wealth and opportunities" was B.C.'s "true heritage," Livingstone declared in chastising environmentalists for believing "...our heritage is not what we do with resources, but

¹⁰⁸ Ken Sumanik, "Ken Sumanik," *Vancouver Sun*, December 24, 1996, E2.

¹⁰⁹ Ken Sumanik was MABC's Director of Environment and Land-Use at this time, later promoted to Vice-President, he served two years as a special advisor to the mines minister after the election of the Liberal Party in 2001.

¹¹⁰ Sumanik, "Ken Sumanik," E2.

what we do not do with them.”¹¹¹ Kootenay resident Gordon Chaisson voiced similar frustrations with Victoria’s perceived interference in local affairs:

I’m tired of others who seemingly know nothing about the real world -- mostly political appointees and bureaucrats from Victoria -- jumping onto airplanes and swooping down on resource communities and imposing the latest social policy whims on the working people of BC. Go back to the capital and stay there. Leave the people who built this province alone so they can continue to generate wealth opportunity and government tax revenues...to pay you per diems, top up your expense accounts and pay your salaries.¹¹²

This discourse attempted to enshrine the existence of three binaries. First, an economic dichotomy was established between unproductive environmentalists and wealth-generating resource workers. Second, a division between urban and rural populations sought to exaggerate the importance of local self-determination. A final binary accentuated the knowledge difference between experienced industry members and bureaucrats who understood mining only in terms of stifling regulation.

Such attacks on urban meddlers and incompetent bureaucrats obscured the conciliatory policy changes industry had begun to extract from the NDP government. In the spring of 1997 the industry hosted a dinner for MLAs in Victoria to conclude “mining day at the legislature.” Heralding the event as a great success, the MABC claimed that the government responded positively to its concerns about economic development. This meeting was also an opportunity for the mining industry to present a seven-point mining plan that became the foundation of its demands for special dispensation from government.¹¹³

¹¹¹ Gary Livingstone, “Protecting our Heritage,” *Mining Quarterly* 4, no.2 (Winter, 1997), 7.

¹¹² Chaisson, “Heritage River Designation: a "clever" Strategy,” 4.

¹¹³ “Mining day at the legislature- an unqualified success!,” *Mining Quarterly* 4, no.1 (Spring, 1997), 1.

This seven-point plan repackaged previously articulated concerns, predicting the creation of 20,000 new mining jobs over a 10-year period if followed. It demanded capping park development at 12 percent, eliminating special resource management zones, and protecting mining operations from being interrupted by the ongoing treaty process. Furthermore, the plan would streamline regulation of the mining industry, and build a mineral claim compensation structure, premised on a “right to mine” principle, to protect industry interests in the event a new park was created overtop existing claims.¹¹⁴ Much of the seven-point plan contradicted the direction of the NDP’s broader natural resource policy, yet bilateral negotiation on specific parts of the plan continued while the NDP developed a new code for mineral exploration. Generally favourable relations were maintained through 1997 until government announced its final decision on a land-use plan for the Kootenays in the fall.

The government had received recommendations from CORE for a land-use plan in the Kootenays in March of 1995. This CORE process had been unable to reach consensus, and continued stakeholder opposition to the recommendations forced government to postpone its decision and begin a second round of stakeholder engagement. The final land-use decision, made by cabinet in 1997, did not align with the mining industry’s preference for limited expansion of parks and a mining-specific exemption from special resource management zones directions. Industry, insulted by having been given no advanced notice that Clark’s cabinet had decided on the Kootenay land-use plan, renewed its criticism of government in late 1997. Once again, the mining industry claimed it had been betrayed by the NDP, having been consulted only

¹¹⁴ “Mining day at the legislature- an unqualified success!,” 1.

superficially. Government's decision not to limit special resource management zones or expand coal mining areas was taken by industry as proof that "in the end it appears they do what they wanted to do right from the outset."¹¹⁵

Late 1997 also saw government and industry fight over the release of a new code of practice for mineral exploration. Following through on the recommendations of the Peel Commission, the Harcourt government had developed an expansive *Forest Practices Code*. For most of 1996 and 1997 it worked on a similar regulatory structure for mining that would proscribe how and under what circumstances specific mineral exploration and development activities would be carried out. Creating "The Code," as it came to be known, risked substantial conflict between government and the mining sector, so the NDP elected to collaborate directly with the industry on its development. In late 1997 the NDP released a final draft without giving industry an opportunity for a final review. Disgruntled at this perceived betrayal of the agreed-upon collaborative drafting process the industry withdrew its support for the code in protest. The NDP responded by reworking the draft on the basis of industry input, presenting the final version along with a series of mining taxation and regulation reforms in April 1998.¹¹⁶

The Kootenay land-use decision and conflict over the code received only passing mentions in a December 1997 *Vancouver Sun* retrospective by Livingstone.¹¹⁷ The editorial, titled "B.C. Mining Down in Dumps in 97," focused on the economic potential of mining and emphasised the negative impact of land-use planning on rural BC. Land-use plans were denying British Columbians access to their own lands, "to their own jobs

¹¹⁵ "Government Pushing Kootenay-Boundary Land Use Plan Despite Industry Objections," *Mining Quarterly* 4, no.2 (Fall, 1997), 3.

¹¹⁶ Gary Livingstone, "B.C. Mining Down in Dumps in 97," *Vancouver Sun*, December 30, 1997, C2.

¹¹⁷ Livingstone, "B.C. Mining Down in Dumps in 97," C2.

and to their own wealth,” he argued, noting that the MABC was supporting a class-action lawsuit against the Crown which claimed damages for mineral claims rendered inert because of new parks or other designations. Having won the favour of governments in the 1950s and 1970s by applying judicial pressure, the industry returned to the same tactic.¹¹⁸

With a legal challenge looming and the industry plan to create 20,000 jobs in hand, the Clark government offered four conciliatory reforms in early 1998. The first involved the appointment of a mining advocate.¹¹⁹ Industry had pressured government to take a more mining-centric advocacy role since 1992 when Anne Edwards denied being an advocate for the industry and proclaimed that her primary role was that of a regulator.

¹²⁰ The new mining advocate would operate within the provincial bureaucracy, proposing new policies to meet the interests of the mining industry and mediating disputes with government.

Second, the NDP offered tax incentives.¹²¹ The mineral exploration tax credit was designed to revive exploration sector spending which, in 1997, amounted to less than half its typical share of national mineral exploration expenditures.¹²² Third, the government streamlined the application process for mining authorization, and ensured that mining proponents would only have to work with a single agency in acquiring permission to carry out works. The mining sector strongly supported this third

¹¹⁸ See Chapter one of this thesis for additional information.

¹¹⁹ Rod Nutt, "Mining Industry gets help from B.C.," *Vancouver Sun*, April 22, 1998, D1.

¹²⁰ "Miners have major complaints with Victoria," *Mining in B.C.* 5, no.8 (September, 1992), 2

¹²¹ Nutt, "Mining Industry gets help from B.C.," D1.

¹²² Ministry of Energy and Mines, "Exploration Spending," Website, (Last Accessed September 23, 2016) <<http://www2.gov.bc.ca/gov/content/industry/mineral-exploration-mining/further-information/statistics/exploration-spending>>.

concession, an approving McKnight noting that the one agency approach and “exploration-specific standards and procedures will greatly simplify the administration of the mine finding process.”¹²³

The fourth and final NDP reform promised legislation enshrining the right-to-mine principle into BC law, addressing the class action lawsuit initiated months earlier. The new act would, the government promised, ensure that any holder of a mineral claim neutralized by the designation of a park would receive fair compensation. The mining industry hailed this reform as “a milestone that has a major positive impact on investor confidence in BC.” Environmental organizations disagreed, fearing that park expansions would be stymied by the increased costs associated with mineral claim compensation. Appalled, the Sierra Legal Defense Fund described the compensation framework as a “complete nightmare for British Columbians.”¹²⁴

However positive, these four conciliatory actions did not change the mining industry’s dislike of the regulatory regime put in place by land-use planning. Even with an advocate in the mines department, industry still saw the NDP as an unwelcome regulator of where and how it would operate. Unsatisfied with the NDP’s refusal to exempt it from the regulatory rigor of land-use plans, the mining industry announced in January 1999 that it would no longer participate in planning processes. The MABC explained:

The industry has participated in various land use planning initiatives for ten years. And for ten years we have tried to make it work for us. It does not work for us and we fear consequences, not just for us, but for the communities we work in and the people who depend on us.¹²⁵

¹²³ Nutt, “Mining Industry gets help from B.C.,” D1.

¹²⁴ Nutt, “Mining Industry gets help from B.C.,” D1.

¹²⁵ Mining Association of British Columbia, “Mining Industry Withdraws,” News Release, January, 1999.

The MABC provided seven reasons for its withdrawal from the process, the first two relating to the province's surpassing of the 12 percent PAS target. The third cited the proliferation of Special RMZs, which industry claimed prevented mining. The fourth addressed the failure of planning process to provide the land-use certainty that industry expected. The fifth rejected the principle of planning at the regional level, which the industry claimed could not account for the hidden nature of mineral reserves. The sixth claimed that the proliferation of land-use designations, such as Heritage Rivers, were unfairly developed outside of the land-use planning process. Finally, the MABC condemned what they perceived to be the planning process' indifference towards the economic and social impacts of land-use zoning.¹²⁶

The NDP immediately tried in vain to bring the MABC and BCYCM back into the land-use planning fold, leaving deputy premier Dan Miller to offer a hollow declaration that "B.C. is a place where we welcome mining." Rejecting government calls for cooperation, McKnight succinctly articulated industry's jaded view that "basically all the decisions have gone against us from day one...we can't do much worse than we've done so far."¹²⁷

In deciding to turn away from land-use planning, the industry asserted that it had nothing to gain from dialogue with a government that did not accept the unique nature of mining. The MABC charged that the planning process had "become a zoning process; a process that creates zones that in effect prohibit mining."¹²⁸ In considering these complaints alongside the NDP's efforts in bilateral policy development, and the

¹²⁶ Mining Association of British Columbia, "Mining Industry Withdraws," News Release, January, 1999.

¹²⁷ John Schreiner, "B.C.'s mining minister pleads for co-operation: Industry digs in: Dan Miller defends government policy, land-use planning," *National Post*, January 27, 1999, C9.

¹²⁸ Mining Association of British Columbia, "Mining Industry Withdraws," News Release, January, 1999.

substantial conciliatory reforms granted in 1998, it becomes apparent that the conflict of the 1990s was focused not on narrow policy questions, but rather, on the foundational nature of the parties' relationship to one another. The mining industry's expectations of government were founded on the basis of the traditional promoter-liquidator role; since the NDP did not embrace the supremacy of mining's use of the land, they were seen to have broken the compact between government and industry.

2001-2005: The New Liberal Party, the Two Zone Policy, and a Return to Normalcy

Gordon Campbell's Liberal party united the free enterprise vote in the 2001 provincial election, winning 77 of 79 available seats in the legislature. Reduced to just two seats, the NDP was not even recognized as an official party in the legislature. Much like Bill Bennett's Socreds in 1976, Gordon Campbell's 2001 Liberal government quickly dismantled those NDP mining related reforms deemed to be harmful to the industry.

The 2001 Liberal election platform made little reference to mining, referring vaguely to the need to "encourage mineral exploration" and increase access to Crown lands and resources in order to create jobs in the sector.¹²⁹ These vague platform positions became tax cuts, a two-zone land-use policy, and a special MLA report on "Restoring the British Columbia Mining Industry." Cranbrook journalist Garry Warner observed that "the Socred-Liberals now in power in Victoria are about as mining-friendly as a government can be."¹³⁰

¹²⁹ British Columbia Liberal Party, "A new era for British Columbia: A Vision for hope and prosperity for the next decade and beyond," Election Platform, 2001, 10.

¹³⁰ Garry Warner, "With Friends like this who needs enemies," *Daily Townsman*, November, 2001, 4.

Within a year of its election, the Campbell Liberal government's Two-Zone mining policy was law, dividing BC into one zone open to mining and one zone closed. Parks and major urban centres fell into the closed zone, but in the remaining 85 percent miners would have access to the land regardless of previous land-use designations, effectively meeting the mining industry's reoccurring demands for an exemption from the outcome of land-use planning. The new Liberal government also introduced tax breaks, reducing the corporate tax rate by 18 percent, eliminating provincial sales tax on the purchase of mining equipment, and extending the NDP's temporary mineral exploration tax credit.¹³¹

Minister of Energy and Mines Richard Neufeld followed up in 2003 by assigning fifteen MLAs to "bring forward recommendations aimed at revitalizing British Columbia's mining industry."¹³² All backbench Liberals, these MLAs spent the summer of 2003 engaging with business-oriented community groups and mining executives. This process involved no public meetings or submissions from groups opposed to mining. Their 2003 report, "Restoring the British Columbia Mining Industry," echoed demands made by the mining industry over the previous decade, and included recommending legislation to prevent further park expansion, identifying mining as the priority user of the land base, and further clarifying the two-zone policy.

Government was directed to promote mining by communicating the industry's "exemplary environmental and sustainability practices,"¹³³ providing more funding for

¹³¹ Government of British Columbia, "BC Mining Plan: Report on Progress" January, 2007, 14.

¹³² *Restoring the British Columbia Mining Industry*, Report of the British Columbia Government Caucus Mining Task Force, November, 2003, 2.

¹³³ *Restoring the British Columbia Mining Industry*, 3.

research and geoscience, and establishing of a “BC School of Mines.” The report concluded that rapid implementation of these recommendations would “dispel the notion that BC is not favourably inclined and supportive of its mining industry.”¹³⁴ Two years later, the Campbell government’s *2005 Mining Plan* celebrated implementation of many of the previous report’s recommendations, with special reference to the two-zone policy’s success in ensuring that “new land-use plans recognize the compatibility of exploration and future mining activities with sensitive ecosystems, tourism and recreation values.”¹³⁵

Like Bill Bennett’s Socreds in 1976, the 2001 Liberal government had reversed most of the NDP’s mining sector reforms within a year of taking office. This deregulation of the mining industry, combined with the expenditure of public funds and lower taxes, conveys how quickly the Gordon Campbell government resumed the traditional promoter-liquidator role and approached mining as the highest and best use of the land.

¹³⁴ *Restoring the British Columbia Mining Industry*, 55.

¹³⁵ Government of British Columbia, “British Columbia Mining Plan” January, 2005, 47.

Conclusion

This thesis has examined periods of mining industry opposition to NDP policies, alternating with phases of amicable relations with free-enterprise oriented Liberal and Socred governments over the 1972-2005 period. On the surface these disputes centred on distinct policy directions, however, a deeper conflict over the role of government underlay these specific policy issues. NDP governments challenged foundational norms related to the role of the state by refusing to promote the industry's interests above all other land users, and by challenging the innate benefits of liquidating publicly-owned mineral resources to private interests. The mining industry responded by demanding that government maintain the orthodoxy that had persisted since the province's founding. When NDP governments failed to fully embody the traditional promoter-liquidator relationship, industry instigated campaigns of resistance. Such campaigns were successful both in extracting concessions from NDP governments, and persuading subsequent free-enterprise governments to re-entrench the promoter-liquidator role.

Dave Barrett's 1972-1975 NDP government sought to affirm public ownership of crown-owned mineral resources, and gain greater financial benefits from their extraction. By imposing a royalty on minerals the NDP intervened into the economics of mine development, determining when and if a mine would be able to operate in a profitable manner. Additionally, the NDP took steps to further control the extraction process by implementing a measure of discretionary control over the permitting of mine activities. These two actions affirmed that immediate liquidation of minerals into private hands was not inherently to the benefit of the public, and asserted that other values could supersede

the promotion of a profitable mineral industry. In so doing, the Barrett administration firmly rejected the role it inherited, namely that government should promote industry's profitability, accept industry's supremacy as a land user, and liquidate resources to industry's control with no regulatory strings attached.

Although the NDP governments of Mike Harcourt and Glenn Clark employed less divisive rhetoric than the Barrett administration, they also rejected the promoter-liquidator relationship. Both administrations refused to promote the industry's interests over those of other land users, first by integrating the mining sector into the broader resource management regime through land use planning, then by rejecting the Windy Craggy proposal, and finally by establishing the PAS in advance of determining compensation provisions for holders of neutralized claims. These three actions elevated other land users, placing them on par with, or above the mining industry. The Windy Craggy decision particularly signalled that the Harcourt government was not devoted to promoting the interests of the industry or creating a favourable investment climate at the expense of all other values. The Harcourt-Clark governments, in short, rejected the mining industry's historical position as the highest and best user of the land.

The mining industry strenuously rejected all NDP attempts to establish a relationship premised on anything but the promoter-liquidator role of government. The two well-established lobby groups, the MABC and BCYCM, took the lead in developing sophisticated, coordinated, and comprehensive resistance campaigns that leveraged support from numerous free-enterprise oriented groups. Both campaigns relied heavily on claims of economic catastrophe and a fragile industry, while concurrently fomenting a rural-urban divide, and casting government as incompetent and aloof. Although the NDP

offered concessions, these organizations continued to challenge the overarching policy directions that ran counter to the underlying demands for special dispensation in accordance with the promoter-liquidator relationship.

After initially aggravating industry by developing policies that did not align with historical expectations, both the Barrett and Harcourt-Clark NDP administrations took substantial actions to address the mining industry's concerns. Barrett offered tax incentives, and provided subsidies to entice the private development of Teck's Afton copper smelter. Similarly, Clark appointed a mining advocate, developed a mineral exploration tax credit, and celebrated writing "right-to-mine" legislation. In both situations, these NDP administrations learned that there were substantial political and economic consequences to challenging the promoter-liquidator relationship. However, neither government went so far as to elevate mining interests above all other values, and both were unsuccessful in winning the support of the industry, despite offering conciliatory policy changes.

The industry's tactic of continued resistance eventually proved successful. Following the 1975 and 2001 elections, free-enterprise governments immediately re-established the promoter-liquidator relationship and dismantled the NDP's mining policies. The Bill Bennett Socredits retained many controversial NDP policies and programs, such as the publicly owned auto insurance monopoly and the Agricultural Land Reserve; however, the entire mining reform package was eliminated during their first sitting. In 2001, the Gordon Campbell Liberal government exempted the mining industry from nearly all land-use planning directions, and crafted a mining plan that

emphasised the role of government in maintaining a profitable mining sector by creating a favourable investment climate.

In rejecting core tenets of the traditional promoter-liquidator relationship, the NDP instigated conflict with the mining industry over foundational questions related to the role of the state. While free-enterprise governments upheld historic norms of valuing the economic contributions of the industry, accepting that the state was obligated to advance the interests of private mining companies, and enshrining mining as the highest and best use of Crown land, the NDP rejected these conventions. The mining industry displayed shock at NDP governments' refusals to sufficiently value its economic contributions, and were unwilling to accept a relationship to government that did not prioritize their use of the land over other resource users. This foundational divergence of perspective inhibited collaborative relations, and underlay all of the mining industry's adversarial resistance to NDP governments. During thirty years of conflict and cooperation, then, the mining industry-government relationship embodied BC's polarized political landscape.

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