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For immediate release

Mining companies get the gold, taxpayers get the shaft

Stronger rules needed to protect taxpayers and environment from mining industry mistakes

Canada's rules for the mining industry fail the test of protecting the environment and public safety, according to a study released today by the Canadian Institute for Environmental Law and Policy.

The report, [Mining's Many Faces: The Environmental Mining Law and Policy](#) in Canada, evaluates Canada's existing system for controlling the environmental impacts of Mining, against the standard of a fair and effective regime.

"Current rules fail to meet the basic test of protecting the environment and public safety. What is worse, instead of making the system stronger, most provinces and territories are working to make it weaker still" said Mark Winfield, co-author of the study, and CIELAP's Director of Research.

There are an estimated 10,000 abandoned mines in Canada, and a least 6,000 abandoned tailing sites. The costs associated with even small clean-ups are high. The collapse of a tailing pond dam in 1990 near Matatchewan (Northeastern Ontario) cost the provincial government alone, in excess of \$2 million dollars. The Mining Association of Canada has placed the cost of nationwide abandoned mine remediation at \$6 billion dollars.

"Mine operators leave with the gold bullion, and taxpayers are left with billion dollar clean-up bills. We expect Canadian governments to be less trusting of the industry offers to police itself, but that doesn't seem to be the case," added Dr. Winfield.

The government of Ontario is currently proposing to let mining companies escape requirements to post realizable financial securities to pay for mine closure and clean up in case they go bankrupt. The Ministry of Northern Development and Mines is poised to adopt rules that would waive these rules, if companies present credit ratings one step above "speculative" (i.e. junk bond) status.

Published estimates of the potential cost to the Ontario taxpayer of remediation of already abandoned Ontario mines range from \$300 million to \$3 billion. The recent Ontario Budget added tens of millions of dollars in new taxpayer subsidies to the industry, but did not address mine clean up.

CIELAP rejects this call from the Mining Association of Canada, for still weaker controls. "Fundamental reform is needed to protect the environment, health, safety and pocketbooks of taxpayers from the activities of this industry," concluded Anne Mitchell, the Institute's Executive Director.

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The Canadian Institute for Environmental Law and Policy has for been commenting on and monitoring policy and regulatory changes related to the environment for 30 years.