

Can You Build an Open-Pit Mine in an Urban Centre? Big Copper Versus a Small City and the Urban Environment in a B.C. Interior Community

Terry Kading and Elisabeth Bass¹

ABSTRACT: The citizens of the City of Kamloops have found themselves at the centre of a controversial debate over the implications of a bizarre foreign-domestic investment proposal - the establishment of a huge open-pit copper and gold mine that extends within the municipal boundaries proximate to the main residential area of this regional centre of 85,000+ citizens. It is our contention that the extent to which this mining proposal has been able to proceed reveals the lengths to which environmental and community concerns have to be minimized by all levels of government to maintain a growth strategy based on low-taxes, balanced budgets and a reliance on private investment, particularly in response to the 2008 global financial crisis. This is not a mining proposal in which a community will emerge in response to the investment - with the ability to determine the appropriate distance from the mining activity, but a situation where the mining activity will be imposed upon a substantial population with undetermined environmental and health implications that may have dire implications for the livability and economic future of the residents of this city. The case of Kamloops raises the question of whether or not municipalities in Canada have any status or protection against aggressive corporate investment decisions with dramatic health and economic affects, for as both the opponents and the mining industry have observed, “[If] the project is approved it would set a Canada-wide precedent” (KAPA, 2013; Rees, 2013).

¹ Terry Kading is Associate Professor of Political Science in the Department of Philosophy, History and Politics at Thompson Rivers University. Elisabeth Bass is an undergraduate researcher and work-study student in Political Science at Thompson Rivers University. We would like to thank Derek Cook, lecturer in Political Science at Thompson Rivers University, for organizing the community forums that contributed to this article, and the reviewers for their constructive advice.

INTRODUCTION: THE AJAX MINE PROPOSAL IN A RADICAL NEO-LIBERAL ENVIRONMENT

The Ajax mine project will encompass more than 2500 hectares of land, and will be located partially within the City of Kamloops, British Columbia (City of Kamloops, 2013). Within city limits will be located the tailings storage facility, process water pond, processing plant, the North Waste Rock Management Facility and the ore stockpiles (see map – Appendix 1). A small Canadian mining firm, Abacus Mining and Exploration Co., acquired the rights to the abandoned Afton mine site south of Kamloops, B.C., and after completing successful tests for copper and gold partnered with mining giant KGHM to advance the project (Abacus, 2013). Located well outside of city limits, and of limited scope and success, the Afton mine had encompassed 161 hectares and operated on and off from 1989 until 1997. The Ajax project has an expected mine life of 23 years, mining approximately 22 Mt of ore a year, where 17 Mt of ore was mined at Afton over the entire eight year period. Thus, the scope and impact of the Ajax proposal represents a significant intrusion into this urban centre in which the authority of the local government carries little weight as to the placement of facilities and evaluations of the proposed mining activity.

This analysis draws on a critical geographical perspective on neo-liberalism to situate theoretically the Ajax mine proposal, highlight the path-dependent character of this proposal as part of the neo-liberal reform project, and the “strategic role of cities in the contemporary remaking of political-economic space” (Brenner & Theodore, 2002, 349). As a distinctive case of “actually existing neo-liberalism” within the broader process of neo-liberalization adopted by province of British Columbia, the proposal exemplifies the main methodological premises of this perspective: *the unstable historical geographies of capitalism*, where “the creative destruction of capitalist territorial organization is always unpredictable and deeply contested” and “capital’s relentless quest to open up fresh spaces for accumulation is inherently speculative, occurring through “chance discoveries” and “provisional compromises in the wake of intense sociopolitical struggles”; and the *uneven geographical development* and *the regulation of uneven geographical development* that has both fostered a local context amenable to such a controversial proposal and forged the opposition arising from “compensatory regional policies.” Most evident is the mining proposal as an example of *evolving geographies of state regulation* where during periods of crisis the “resultant ‘search for a new institutional fix’ generally entails the partial dismantling or reworking of inherited institutional landscapes in order to

'open up space' for the deployment and institutionalization of new regulatory strategies" (Brenner & Theodore, 2002, 355-356). The uniqueness of this project, which also highlights its audacious character, is that while urban spaces in B.C. are subject to the "devolution of new tasks," "contracting out of services," "expansion of community-based and private approaches to social service provision," "emergency shelters" for the homeless and other "creative moments of neoliberal localization," (Brenner & Theodore, 2002, 369-372), the proposal is less about revamping the regulatory environment than attempting to utilize existing environmental assessment criteria that was never intended for an open-pit mine within an urban setting. The unwillingness of federal and provincial officials to acknowledge this feature and stop the proposal from advancing stems from the urgency of "growth restoration and budgetary constraint" arising out of the 2008 crisis, in which expanded resource extraction has become a federal and provincial priority (Peck, Theodore & Brenner, 2012, 265).

Our examination of this mining proposal also supports and expands on the critical analysis of Nathan Young on the remaking of rural geographies in B.C. arising from the adoption of radical neo-liberalism at the provincial level (Young, 2008). Young documents the effects in small communities from neo-liberal restructuring in the provincial government and the forestry industry, and the initiatives to address decline and dislocation through "guided entrepreneurialism" and local "independence." In contrast, our analysis focuses on one of the small cities that have been a net beneficiary from this provincial restructuring, emerging as a "regional centre" providing a range of government services previously available through smaller communities. Despite this enhanced status, Kamloops remains subject to the "freeing" of corporate actors "to manipulate the spaces of resource production in order to gain efficiencies that are deemed crucial to (global) market competitiveness" (Young, 2008, 2). For KGHM the placement of the Ajax project has many advantages over developing a mine in more remote areas. By locating major mining facilities within city limits there is easy access to an established transportation, water, and electrical network, significantly reducing the time and costs of developing a fully functioning mine site. In addition, there is a large local workforce and mining service providers due to the proximity of the city to two other established mine sites – Highland Copper and New Gold (KGHM, 2013). From a resource investment perspective the location is optimal, but within the city this project has fostered deep divisions driven by competing economic, health and environmental fears.

On the one side are the supporters of the project, where insecurities generated by the local fallout from the 2008 economic crisis have reinforced the position that the city is in no position to be rejecting a major investment and employment opportunity. The opponents of the project highlight that the environmental costs are not only related to health concerns, but will destroy a number of economic opportunities and dramatically reverse local efforts to diversify against a long-standing weakness of resource dependence. Perhaps what is most surprising is an announcement of a billion dollar+ investment commitment in mining at the height of the global financial crisis, an unprecedented context in the history of the resource sector in B.C. Unlike previous recession experiences, the 2008 global financial crisis has served to significantly revive rather than undermine the prospects for mining in British Columbia, as global prices for a variety of base metals have remained consistently high due to demand from Asian markets (particularly China). This has allowed what was a largely moribund industry to offer itself up as a “recession proof” revenue option with high paying jobs, and the ability to address the declining employment opportunities in the forestry sector of the interior and north of B.C. (Gratton, 2010; Brino, 2013). It is only the ironic persistence of this external demand and price for copper at the height of a major global downturn that explains the unwillingness of the provincial government and the main opposition to reject outright Ajax as inappropriate as proposed. Accelerated resource extraction is viewed as the basis of a secure financial future that may revive interior economies. Thus, short-term electoral calculations, an entrenched bias favoring corporate interests and an inability to accept and promote an alternative development strategy accounts for the silence by the two main political parties (the Liberal Party of B.C. and the New Democratic Party of B.C.) as they have become entrapped in the “benefits” of a neo-liberal resource growth agenda. The roots of this “consensus” lay in the decisive defeat of the NDP government by the Liberal Party under Gordon Campbell in 2001.

THE PROVINCIAL CONTEXT AND THE MINING REVIVAL

Despite the image of British Columbia as largely a resource-based economy dominated by forestry, fishing, and mining, the reality is that by the end of the 20th century, in terms of GDP by industry and number of employees, these sectors had faded in significance. These trends would continue under the Liberal government such that by 2007-08 *agriculture, forestry and fishing* would contribute only 3% to provincial GDP, and less

than 3% from *mining, oil and gas* (Brownsey, Howlett & Newman, 2010, 22-23). Employment in *forestry, fishing, mining and oil and gas* combined would decline from 2.6% of the total workforce in 1998 to 1.9% in 2008. Over this ten year period the largest employment gains would be seen in transportation (+25,000), education services (+40,000), retail and wholesale trade (+50,000), healthcare (+45,000), professional, scientific and technical services (+40,000), finance and real estate (+35,000) and construction (+100,000). Given these trends in employment and contribution to the overall provincial economy, the Ajax project is neither significant nor necessary. Rather, the Ajax project, as part of a larger revival in mining investment, serves to address a political problem created by the effort to maintain a very low corporate and personal tax environment yet generate employment opportunities in the interior. The vast majority of employment growth in services, transportation, construction, and finance has benefitted the lower mainland and southern Victoria Island region (in and around Vancouver and Victoria) while most other regions have remained dependent on the declining prospects in the resource sector, notably forestry. This “interior-southern coast” divide would be significantly exacerbated by both the aggressive change in the provincial regulatory framework under the Liberal government after 2001, which led to substantial job losses in the forestry industry, and the financial outlay to host the 2010 Winter Olympic Games which favoured the Vancouver region. The 2008 financial crisis further pushed the provincial government’s interest in fomenting resource extraction as declining revenues from other sectors has made the royalties from resources extremely attractive to fund a significant number of costly services e.g. healthcare, while attempting to maintain a very low tax environment.

Coming into the 21st century, though, B.C. was an anomalous context with a higher tax and regulatory regime in place relative to neighbouring jurisdictions, and where perceived low levels of economic growth (versus the national level), private sector investment, and business confidence fuelled a broader societal discontent (and a sense that many were leaving for better employment opportunities in other provinces). The 2001 provincial election was a powerful rejection of the prevailing regulatory model endorsed by the New Democratic Party, with the Liberal Party of B.C. garnering 58% of the vote and 77 of 79 seats in the provincial legislature. Through the 1990s the New Democratic government had enhanced the broad regulatory structure that had developed in B.C. with respect to the business sector and resource industries (Brownsey and Howlett, 2001, 318 & 323). This regulatory context placed

significant requirements on large industries to meet environmental, labour and safety standards, and in the important resource sectors i.e. mining and forestry, to provide employment opportunities to those communities proximate to these resource extraction activities (Kukucha, 2005, 220-222; Young, 2008, 8-10). This latter feature attempted to ensure that the benefits of these activities were distributed throughout the province. Comprised of a social-democratic ideology that favoured the rights of organized labour, workers, and the lower classes, government policies further ensured that a broad range of public services in education, healthcare, social assistance, and regulatory functions, were distributed throughout communities in the province, irrespective of size. The Liberal government would quickly initiate the types of changes seen as necessary to bring the province in line with other jurisdictions, establishing a pro-business investment environment with profound implications for small communities and the environment.

The Liberal government signaled the shift in ideological priorities by cutting tax rates, terminating various government positions, privatizing some government agencies, contracting out government services, and allowing various government entities to raise prices on services (Fuller, 2001, 1; Fuller & Stephens, 2002, 4-7; Klein, 2002, 1-8). The broadest attack was on the larger regulatory edifice that was seen as deterring private sector investment and preventing B.C. from being seen as “competitive” with other jurisdictions. This was most evident as the government established a specific Minister of Deregulation, which decreed that all ministries must cut regulations by one-third, irrespective of content (Fuller, 2001, 1). These dramatic reductions in government conditions and oversight would extend to the resource sector, where extraction and processing would no longer be tied to the benefit of local communities. By reducing conditions on resource extraction the expectation was that corporate investment would generate the economic prosperity in the hinterland to secure the rural vote (Brownsey, Howlett and Newman, 2010, 25-26). This “rationalization” in the resource sector would allow for much greater private sector latitude in extraction, transport and processing as corporations desired more flexibility to respond to global market conditions. At another level the Liberal government began regional centralization in a range of government services and programs (education, healthcare, legal services, administrative) such that certain regional centres would become the main conduits of essential government services, compelling residents of smaller centres to travel or relocate for access to these

services (Lee, Murray and Parfitt, 2005; Young, 2008, 24). For instance, some 176 schools had been closed by 2009, with the prospect that another 60 were threatened with closure, the majority being in remote areas with declining overall populations (BCTF, 2013). Within regions, one would see population increases in certain small cities, while surrounding towns and small centres would be confronted with precipitous declines in population due to lost employment in the forestry sector or government services and agencies, often where the government had been either the number one or number two employer. For instance, while Kamloops grew by 4% from 2001 to 2006, surrounding small towns had population declines that varied from the 2% range to up to 26% plus (UBCM, 2013). Centralization of government services and rationalization in the resource sector generated quite contradictory outcomes, with the future uncertain for many smaller communities.

At a provincial level economic growth rates rose, unemployment rates fell, and government revenues increased overall, appearing to vindicate the aggressive policy changes of the Liberal government in attracting private sector investment (McMartin, 2009). These changes, though, would take place at the expense of the broader distribution of high wage jobs that had maintained many small towns and communities in the past. These inequities extended to the regional level as prosperity or “boom times” in some areas were contrasted with economic decline and dislocation in others. By 2008 some 20,000+ jobs had been lost in the forestry industry alone, a loss of over 25% of the workforce in this sector even before the 2008 financial crisis (Hoberg, 2010, 332-333; United Steel Workers, 2008). While forestry exports would begin to stabilize by expanding sales to Asian markets, in terms of employment prospects and government revenues, forestry continued to fade in significance, replaced by opportunities in the energy sector. By this time the significance of the energy sector had become apparent, such that from 2001 on government revenues from this sector consistently surpassed forestry, and by 2008 were more than double that of forestry – accounting for 6-7% of all government revenues. Investment in natural gas alone had gone from \$1.8 billion in 2001 to \$7.1 billion by 2008, and by 2013 the Liberal government had made the revenue prospects from exporting Liquefied Natural Gas (LNG) the centre piece of its reelection campaign as the means to finance government services well into the century (Government of BC, 2013).

Mining activity did not figure as a resource priority for the Liberal government until the 2008 financial crisis, and only after

it became apparent that base metals appeared to be increasing in royalty contributions to government revenues (Schrier, 2011). With declining provincial growth rates more attention was focused on the prospects for mining, particularly as a means to boost investment and employment in the interior where the effects of the financial crisis were being more immediately felt. Mining also had the advantage over energy of matching more closely the areas most affected by the fallout in the forestry sector in the southern and central interior, whereas the potential from oil and gas activity is largely concentrated in the remote northeast of the province. Unlike the oil and gas sector, though, the numerous proposals that have emerged for mineral development have generated far more environmental scrutiny given their proximity to established communities (in which the Ajax proposal is the most extreme in this regard). It is also this accelerated provincial government interest in mineral extraction that has raised questions and suspicions as to the rigor of the provincial environmental review process. What stands out in this regard is the Taseko Mines Limited gold and copper project near William's Lake, which upon submitting its proposal to the province for environmental assessment in 2009 quickly received approval at the provincial level, but failed to receive federal approval due to the multiple deficiencies that were found in the company's Environmental Impact Statement (Mining Watch, 2012). To this day this project remains stalled at the federal level.

The priority given to accelerated resource extraction with questionable environmental oversight by the provincial government confirms the aggressive quality of the neo-liberal process in B.C., the failed efforts at "guided entrepreneurialism" and compensatory strategies for many communities, and the limits of a low tax environment in funding the necessary services for the province. However, the regional support for these varied extraction initiatives and related infrastructure projects as the "only way" to reverse the fortunes of numerous small communities in the interior has generated a broader Liberal-NDP "consensus" on the merits of resource extraction. This has allowed for a new stage of "creative destruction" fraught with contestation (Harper, 2013). Within this political space, where the Liberal government is committed to opening eight new mines by 2015, the measure of how aggressive and contested this stage has become is exemplified by the Ajax proposal and the recent experience of the residents of Kamloops.

THE LOCAL CONTEXT OF INSECURITY AND UNCERTAINTY

In multiple ways the City of Kamloops has been a net beneficiary of the provincial process of centralization as government services became concentrated in this regional centre e.g. provincial lottery, healthcare services, and education, leading to a marked diversification in services, employment and the image of the city. Due to the recent diversification away from a long history of resource-dependence at the local level the Ajax project has generated differing and complex levels of insecurity and uncertainty as to the effects of this project on the municipality. In addition, and despite the increased expansion and diversification in occupations over time, for decades the region has had to confront a persistently high unemployment rate (until of late). This has fostered a local political culture more receptive to controversial investment initiatives such as Ajax. This 1981 to 2001 phase was in marked contrast to the post-war period of unparalleled local growth and prosperity.

By the late 1970s this interior centre in British Columbia had experienced over twenty years of population growth on the order of seven percent a year, establishing a pattern seen as continuing well into the future. Over this period the population had grown from 20,000 to 50,000 and the likelihood of having to address a population in the 80-100,000 range appeared imminent, perhaps by the early to mid-1980s (City of Kamloops, 1974, 21; Department, 1980, 11). Based on the prospects for mega-developments in energy, mining and forestry individuals were drawn to the area to the opportunities in these primary sectors and related public and private services (Development, 1998, 3). The economic recession that began to hit Kamloops (and the B.C. interior generally) in late 1981 was an unexpected shock in both depth and duration, and a community-altering event regarding urban development. By late 1981 the city was mired in mass layoffs and cutbacks, labour strikes and a steep economic decline as a result of Depression-era prices on the global market for these resource sectors, leading to the “the dubious distinction of having the highest unemployment rate in the nation” (McRae, 1983, A1). With the termination of projects and related investment, unemployment hovered from 18% to 28% during the mid-1980s and a steady outflow from Kamloops ensued. By the late 1980s city officials recognized that the city had few prospects due to its resource dependence (City of Kamloops, 1989, 40-41). The early 1990s saw a brief revival in economic activity but by the mid-1990s stagnation had returned, such that by late in 1999 it was noted that “[T]alk of a community in economic distress has been a primary

theme leading to this year's municipal election in Kamloops" (Muir, 1999, B1). Candidates for mayor were in agreement that Kamloops needed an "anything goes" attitude to be competitive with other urban centres for tax revenues and jobs, one candidate noting "[W]e should never be in a position as a city – unless it's a nuclear reactor – to have to say no to development" (Fortems, 1999, A5). At this point, the Ajax project would have been a welcome blessing to this distressed community.

Into the 21st century, growth prospects for the city appeared minimal. The emergence of big box retailers had increased the regional profile of the city, but with a 12%+ unemployment rate, a declining forestry industry and news that the Highland Valley copper mine may end operations due to low prices generated local fears of continued decline. A gradual turnaround would be marked by the appearance of a major call centre, Convergys, which would quickly grow to over 1500s employees, making it the largest private sector employer in the city. Pollard Note (currency) and Northern Trailer would establish manufacturing facilities, a local brewery would emerge, and as metal prices rose New Gold would begin developing an abandoned gold mine outside of town and Highland Copper would expand facilities into processing. Along with the expansion of the Sun Peaks ski resort came the creation of other golf course, conference and resort facilities in and around the city, suggesting that Kamloops was replicating the "tourist – retirement" dynamic of neighboring Kelowna. These diverse initiatives would be supported by a significant increase in provincial spending in healthcare and education, such that the province would be the dominant employer fueling an institutional, commercial and residential construction boom not seen since the late 1970s. By 2010 there had been such a notable change in the fortunes of the city and in the employment profile (see table below), that local concerns over the forestry industry had evaporated, replaced by a focus on expanding opportunities from the university (with a new law school), health services, transportation (air, rail, trucking), retail services, real estate, tourism and retirees.

Kamloops Job Profile (2000 and 2013)*

Top 10 Employers:

Employer (2000)	Employees	Employer (2013)	Employees
School District 73	1486	Interior Health Authority	2921
Royal Inland Hospital	1446	School District 73	1872
Weyerhauser Canada	920	Thompson Rivers University	1780
University College	800	Highland Valley Mine	1256
City of Kamloops	650	City of Kamloops	713
Overlander Extended Care	450	Northern Trailer (Horizon North)	582
Highland Valley Mine	449	New Gold Inc.	475
McDonald Restaurants (5)	315	Domtar (formerly Weyerhauser)	430
Canada Safeway	306	BC Lottery Corporation	424
BC Lottery Corporation	295	CN	320

* 2000 data from Mackinnon and Nelson, 39; 2013 data from Venture Kamloops

The local effects of the 2008 financial crisis would be most evident in the private sector dynamic that had emerged. Convergys would quickly slide in employment and close down in the face of a high Canadian currency and broader corporate restraint for their services, along with Pollard Note. Weyerhauser (now Domtar) pulp and wood operations would continue to decline in employment (falling below the 430 employees listed above). Tobiano, a major golf resort and housing development would go into receivership before completing its plans, and within the city the massive Mission Hill condominium project would go into bankruptcy as a half completed project. These trends served to heighten employment insecurities as the unemployment rate went from a low of 3.9% (2006) to 8.3% (2008), and 9.1% in 2010 (Venture Kamloops, 2013). This context allowed the Ajax project (with 400 potential positions) to resonate with some local residents, commercial suppliers and trades people – with legitimate concerns regarding the vulnerability of the “new economy” that had emerged, in light of no provincial level commitment to support the diversification – “green economy” trends in place.

For both the Liberals and the NDP there was a consensus on “fiscal prudence,” “low taxes” (with marginal increases on higher incomes), and expanding resource development. The re-elected Liberals placed

more emphasis on “balanced budgets,” “debt reduction” and the expansion of government services tied to royalties from aggressive resource extraction, while the NDP only countered with some reservations over the rigor of the existing provincial environmental assessment process. As the two provincial ridings that divide the City of Kamloops are comprised of numerous small rural communities awaiting the benefits of a resource revival, and unaffected directly by the proposal, the Liberal and NDP candidates in the two local ridings did not contest the appropriateness of an open-pit mine in an urban centre. This created the political space for the Ajax project to be left largely unquestioned by the two main parties and local candidates in deference to the existing review process. This silence has allowed KGHM to advance the mining project in the face of mounting local opposition and a debatable environmental assessment process being applied to an urban centre.

THE LOCAL OPPOSITION

Those opposed to the Ajax mine proposal emphasize the extent to which an open-pit mine is wholly inappropriate for an urban context and the evident lack of adequate assessment criteria in place to even evaluate such a proposal. The opposition to the Ajax project is comprised of the Kamloops Area Preservation Association (KAPA), Physicians for a Healthy Environment (Fortems, 2013), Kamloops Mothers for Clean Air (KMCA, 2013), and two (of nine) city councilors. Of these the Kamloops Area Preservation Association (KAPA) is the most visible, “a group of people brought together by their concern over the proposal to permit the development of a huge, open pit mine far too close to the city ... its members include local ranchers, physicians, former mine employees, and residents of Knutsford and Kamloops.” (KAPA, 2013). As they highlight “[W]e are not opposed to mining, but we are opposed to the location of the Ajax mine.”

Those opposed to the Ajax mine are concerned that the proximity of the mine is going to pose a threat to the environment, a threat to personal health, and a threat to the considerable efforts to overcome an old and unstable resource-based economy and “industrial” image.

The Ajax mine would be located on the high ground overlooking Kamloops, Knutsford, and the ranch-land on the southern perimeter of the proposed mine. If the project is approved it would set a Canada-wide precedent. Up-wind of the city, less than one kilometre from a residential area, and only 2 kilometres from an elementary school, the

proposed mine would pose a serious threat to the health and well-being of residents, both within and outside the city The real estate value of homes located so close to the mine would plummet. The impact of noise, vibration (from blasting), dust and light pollution would irreversibly change the entire character of Kamloops, and particularly of the Aberdeen, Pineview and Sahali areas. The dust would easily be carried by the prevailing southwest wind over the entire city.

If dust and noise from the mine create significant impacts in the City of Kamloops, the population of Kamloops could decline as retired people, students, migratory workers, sports tournament participants and tourists move away or avoid the city. Selected secondary economic impacts could be substantial. (KAPA, 2013)

These potential detrimental effects have raised significant concerns for Kamloops city council, having devoted considerable time, planning and resources to an alternate vision for the city since 2003. The City of Kamloops has three community plans established through broad community consultation that are counter to the impact of the Ajax mine: the principles enshrined in the KAMPLAN (the official community plan), the Aberdeen Plan and the Sustainability Plan (City of Kamloops, 2013). In fulfillment of these plans, the city has taken on considerable debt to finance the expansion of parks, paths, and large recreational and leisure facilities to rebrand the city as a centre of “health and sport” in attracting residents and investment (and from which it has received glowing reviews).

The Sustainability Plan was created to address at the local level issues including water consumption (which had previously been the highest per capita in Canada), developing transportation infrastructure to serve a growing population in challenging topography, reducing solid waste to increase the life of the landfill, building on the reputation as Canada’s Tournament Capital (which creates approximately \$12 million a year in local economic spinoff), and improving air quality (in recognition of the compromised air shed already in place at certain times of the year). The Sustainability Plan outlines four phases to balance social, economic, and environmental welfare. Sensitive areas and environmental curriculum have been reviewed, and the City has planned land-use and parks, and strategized for community wellness and recycling expansion. Future plans suggest a High Tech/Green Industry Attraction Strategy, a Carbon Off-Set Strategy, an Air Shed Plan, and an Alternate Source Study. Coun-

cillor Donovan Cavers, one of only two councillors with a position on the proposal, states that the city will have no chance of meeting these sustainability initiatives once the mine is operational (Bass, 2012-13).

Consultation on the Aberdeen Area Plan was initiated in 2004 to prepare for the tremendous growth expected within the Southwest Sector and to identify and protect environmentally sensitive sections which were already experiencing groundwater and slope stability issues (City of Kamloops, 2008). Forty eight percent of the city's growth is expected for this area and considerable economic commitment has already been invested to create the infrastructure to accommodate this growth. Although the impact of the mine will be evident for the entire city of Kamloops, the Aberdeen Growth Boundary will only be 310m away from the Strategic Stockpile and Low Grade Ore Stockpile, the closest home within 1400m, the elementary school less than 2000m away and the explosives storage facility less than 4000m from the elementary school. It is already known that the mine will use as much water and electricity as the entire city of Kamloops and burn 91,000 litres of diesel per day over the 23 year expected life of the mine (KAPA, 2013). Although a complete list of chemicals used in the operation of the mine is unknown residents can expect blasting, crushing, concentrating, high powered lighting 24/7, uncomfortable levels of noise, vibration and dust, and a tailings pile so large as to permanently change the topography (reducing exposure to sunlight). The city recognized the looming threat and forwarded to the B.C. Environmental Assessment Office (EAO) an eleven page *Letter of Inquiry* in 2011, to which KGHM was expected to reply.

A series of community forums held in the Fall and Winter of 2012-13 allowed those concerned to review both sides of the argument (Bass, 2012-13). Norman Thompson, for KGHM, stated that many members of his organization were long-term residents of Kamloops and that the best interests of the community were a priority for their project, however during the question period Thompson was unable to answer many questions to the satisfaction of the audience (Bass, 2012-13). Scott Bailey, Executive Project Director of the BC Environmental Assessment Office (EAO), presented the process that will consider the AJAX proposal, stating that this is a way to identify and evaluate effects of proposed projects and attempt to find ways to mitigate the impacts. In the case of AJAX, the proponent KGHM, was required to develop a Community Consultation Plan to address the public on issues relevant to the environment, health, and the social and economic effects on the community. Public input rounds are to be open for participation during various stages

of the assessment, and a community advisory group, which Bailey mediates, had been established (Bass, 2012-13). The EAO welcomes Kamloops City Council to participate in the process, and although they recognize the limited ability of municipal leaders to actually make decisions, they will be listened to and considered. While Bailey affirmed that the EAO recognizes the uniqueness of the AJAX case, short -comings of standards were later made evident by the community advisory group when it was found that KGHM may not even have to address the local health effects in its environmental assessment.

"They were meant to provide community input during the environmental-assessment process for the proposed Ajax copper and gold mine. But, after 15 months of meetings, members of a government-appointed community-advisory group are calling for a complete revamp of the way mines are approved in B.C. "The environmental process is not set up to deal with a mine that's going to be placed inside a city ... and those flaws in the process are glaring" said Dr. Twila Burgman "One of the big concerns of Kamloopsians is our health, and if that's not being addressed properly, you can imagine the other concerns we have that are also not being addressed properly." (Klassen, 2013, p. 1)

Thus, while the EAO had initially satisfied some concerns regarding the process, it would become increasingly evident that requests by the community advisory group and city council for urban appropriate assessment criteria and findings would be repeatedly rejected.

During the series of community forums there were unexpected indications of a significant negative growth effect due to the Ajax mine. An in-house survey of Kamloops doctors showed that 70 percent of respondents would definitely or probably not have come to Kamloops if the AJAX mine was operational (Young, 2013). Of the 152 (of 207) who responded, 105 said that they would not have considered Kamloops to practice if AJAX had been in place, and 54 stated that they would likely leave Kamloops if the project is approved. Eighty four percent were concerned about potential health impacts of the AJAX mine on Kamloops residents. Where an estimated 15,000 people already are without a family doctor in Kamloops, Dr. Derek Plausins stated that "community leaders do need to know this issue does exist and the social impact is not one to be underestimated. The reality is Kamloops has to compete with other communities to recruit doctors. Unfortunately this is going to be another hurdle." The results of the survey have served to highlight both

the potential negative effects to health from the mine and the economic impact. As a regional trauma centre already confronting a major shortage in doctors, a further decrease in medical professionals would affect not only Kamloops but the entire region. Councillor Tina Lange, who views the mine as a threat to the reputation of Kamloops, has emphasized that health care is the number one service that people need and is requesting council confer with health professionals for more information and send a letter to the EAO asking for the survey results to be weighted in their reports (Bass, 2012-13). However, the role and status of city council in the process overseen by the EAO remains uncertain.

As the city awaits the completion and submission of an environmental assessment by KGHM, the local concerns and divisions escalate. The local newspapers have had almost daily citizen editorials on the Ajax project – the majority vehemently opposed on health and environmental grounds. Community events with KGHM sponsorship have been met with threats of boycotts, and city council has been repeatedly pushed to debate petitions for and against the project. Riding-by-riding results of a recent poll in Kamloops revealed 43% in favour / 32% opposed (North Thompson), and 42% in favour / 36% opposed (South Thompson), with about 25% undecided in both ridings (Fortems, 2013). During the provincial election the legitimacy of the provincial assessment process was further brought into question as the local NDP candidate for South Thompson broke ranks and advocated for an independent federal review of the Ajax project after door-to-door canvassing revealed the extent of the fears of local residents most affected by the proposal.

Through press coverage, editorials, community forums, petitions, and polls, the fears over the environment, health implications, and the potential loss of professionals and the local image have created a context of anxious limbo. Pictures in the local paper of vast dust clouds emanating from the Highland Copper mine on windy days have supported the likelihood of significant increases in particulate throughout the valley from Ajax mining activity. Other emerging issues include concerns over residential ground stability related to continuous blasting, the proximity of waste storage facilities, and the effects on property values and future residential developments. This anxiety has been imparted largely by KGHM in a “relentless quest” to be granted approval by meeting the minimum regulatory requirements stemming from the continuing “open-mindedness” of provincial and federal officials regarding their proposal.

THE CORPORATE RESPONSE

The trepidation that has gripped the city has only been exacerbated by KGHM. Suspicion was inculcated from the beginning with the KGHM proposal in 2010, when the company website stated that the project was to be located 10km south of the city. Only local sleuthing revealed the extent of the placement within city limits, thus establishing early signs of deception for some citizens. Expected to address air quality, water quality, noise and vibration, and human health and ecological risks, there were initial indications of a priority on the views of local authorities. In the face of mounting opposition KGHM has adopted an uncompromising position as to the placement and scope of the project while being ill-prepared to address critical health, environmental, and liveability questions. The corporate response has been to increasingly direct their focus at the provincial level, an arena more disposed to a narrow economic case for advancing this project.

By the fall of 2012, the retiring local MLA and Minister of State for Mining, Kevin Krueger, released a surprising critique in an open letter directed to KGHM, confirming the extent of local fears and the suspicions of the opposition.

Dear Ajax, Here's the thing. You really need to start answering some questions publicly, through respected, independent experts, on a range of key questions. I was pleased to hear Mr. Thompson say in local media that you are fully aware that your mining proposal cheek-by-jowl with some of Kamloops' newest residential developments requires a far higher standard than any other in Canada (my paraphrase). It does. I have heard from anxious constituents in droves for many months.

Good citizens who have been pouring their volunteer time into your "consultations" protest to me that you are burying them in paper, tread milling the process, stonewalling and attempting to put the onus on government. If that is your approach, you will run out of resources long before you have any hope of building a mine Let's end the uncertainty, fear, anxiety and acrimony. Very fine citizens of Kamloops, including a number of highly-prized specialist doctors, are seriously considering moving elsewhere because of the present uncertainties. We don't want that to happen. (Krueger, 2012)

Krueger called on KGHM to spend the money necessary to address all local concerns in order to acquire "social licence," and warned that

unless his suggestions were followed “I have a strong premonition we’ll be wishing you farewell, some time in the future.”

Rather than heed the advice of the local MLA, KGHM sought to refurbish its local reputation in the community by changing the messenger, but not the message. Kamloops’ highly respected RCMP Superintendent, Yves Lacasse, resigned his position to join the Ajax team in early 2013. However, local expectations that Lacasse would provide an account of how KGHM was willing to address local concerns would be quickly dashed. With the notable increase in organized criticism, and as the tangible negative effects of the Ajax proposal became evident, KGHM revised the terms of consultation – retreating to the narrowest procedural requirements to advance the project “as is.” Initially under Abacus it was emphasized that “If any one of the levels of government says no, this project will not go ahead,” including Kamloops city council and the Thompson-Nicola Regional District. Later, through local newspaper ads, KGHM emphasized that the provincial and federal ministers “have the final say on whether or not our project is approved” and “[T]hat means the mines proponents would go ahead with the project with provincial and federal approval even if city council officially opposes it, KGHM Ajax spokesman Yves Lacasse confirmed” (Klassen, 1).

This rigid tone would be carried into KGHM’s long-awaited response to city council’s request for more information as “Kamloops city council sounded off about a letter from KGHM Ajax meant to answer questions asked of the proponent two years ago, calling the responses a range of things - from less than useless to shallow to a poor excuse. Essentially the only thing council did not call it was informative” (Stahn, 2013).

“Coun. Nelly Dever, noted KGHM continues to use other mines as examples as to why Ajax will work in Kamloops, but refuse to give related information or studies. “When ever we’ve asked for comparative information, they’ve been very reluctant to give that information because according to the answers we’ve received all the mines are different, all mines are independent, are specific to climate, topography.” Dever said this is a “poor excuse, whenever we ask a question, and they feel they have their backs up against the wall, they use the reasoning we’ve done it with these other mines before. We should be able to get that information.” (Stahn, 2013)

Instead of addressing concerns the KGHM response only aggravated fears, as in the letter to council “the company says they have no plan to

go beyond the existing footprint, yet literature for investors had previously mentioned future mineral claims and expansion. If you're telling your investors that you plan to expand – then you plan to expand" noted councilor Tina Lange. The whole context of this response was not helped by KGHM. Spokesperson Yves Lacasse emphasized on submitting the letter that environmental and health questions will be addressed in the company assessment, not in the response to council, and that "*quality of life* is subjective and a study will only be considered once the mine is in operation" (Stahn, 2013).

A later request by concerned citizens and city council that KGHM complete a "full-blast test" to determine local effects was rejected by KGHM as too expensive and not required as part of the assessment process, but KGHM did acknowledge that residents will be able to feel the blasting (Youds, 2013). A request by the community advisory group for a full-blast test was turned down by the EAO, even though geotechnical consultants had reported to the EAO the possibility of not just blast vibrations, but "sonic booms" strong enough to shake houses and break windows more than 10km from the proposed mine site (Klassen, 2013). Frustrated by the intransigence of KGHM and the EAO, the mayor of Kamloops met directly with the federal and provincial ministers to request a full-blast test - but received no guarantees (Klassen). Shortly after this KGHM announced that it was considering revising the placement of the controversial structures within city limits, but only because new core samples revealed the potential for developing a much larger mine site. And thus, the anticipated environmental assessment by KGHM for the fall of 2013 has been postponed until "at least" 2014 (Paillard, 2013).

It is apparent that KGHM, despite affirming the unique qualities of its proposal, has no intention of making any meaningful or conciliatory gestures to allay the multiple fears and concerns expressed at the local level. Meanwhile, KGHM site tours and community information sessions continue (with no study results) even though the placement, overall size and impact of the proposed mine and facilities have become even more elusive. The KGHM strategy attests to the corporate resolve to force open "new spaces of accumulation" through "chance discoveries" by meeting only minimal standards of regulatory compliance however ill-suited these are for the urban environment they intend to enter. To this end federal and provincial officials have been complicit in encouraging this position by deferring to the existing provincial process in an effort to accelerate resource extraction across the province.

CONCLUSION

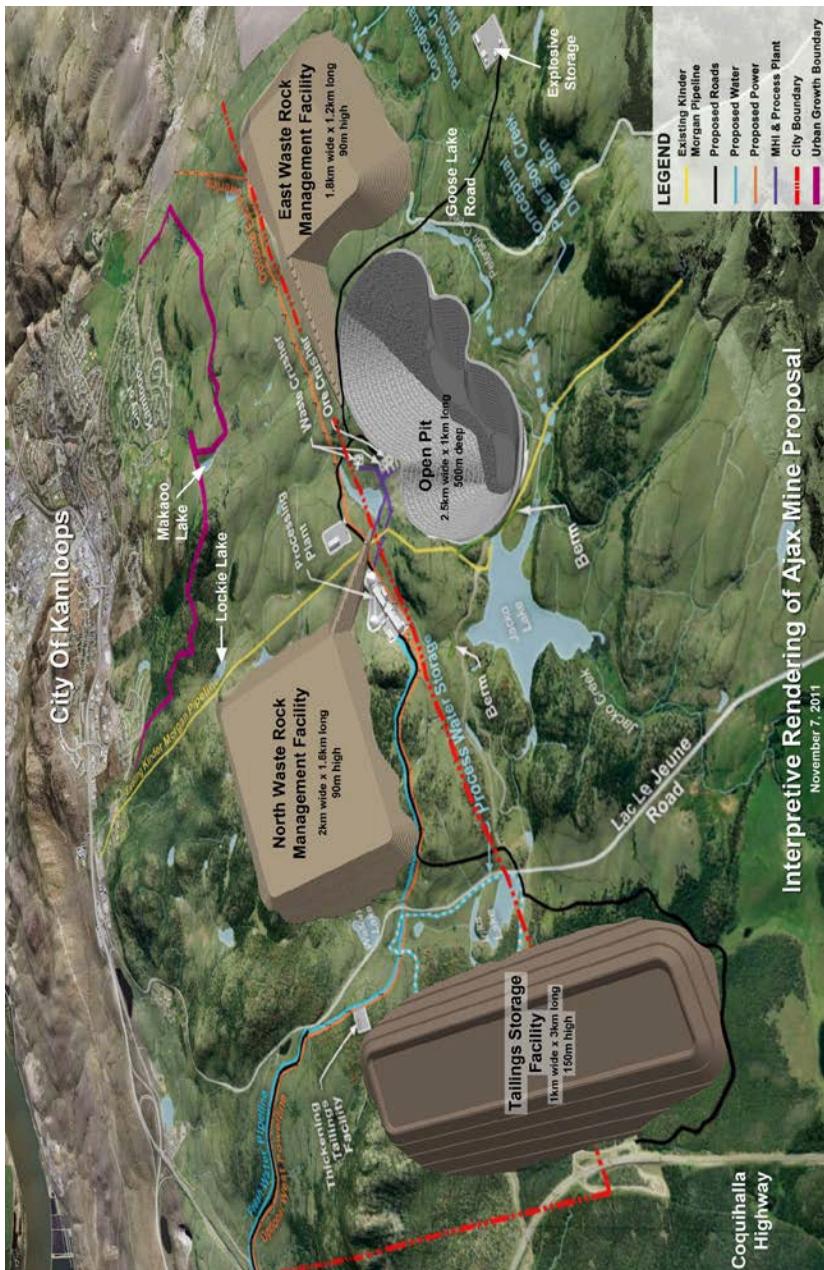
The gravity and the implications of the Ajax mine proposal are distinctive versus the quite common disputes over development initiatives in urban centres. City council and community groups remain uncertain as to their role and the weight of their input in the final decision. There is a lack of clarity over the standards and conditions KGHM is expected to meet at the provincial or federal levels, and no regard for the established land-use, community or sustainability plans of the city. ‘Informal recognition’ of the uniqueness of this proposal by the EAO or KGHM has not been sufficient to dampen the health or environmental concerns of citizens, or prevent institutions and processes from declining in repute. Increasingly it appears the burden of “research” has fallen to the local level, as KGHM, despite “expertise” in this area, refuse to provide information regarding health and environmental impacts from other operations, nor has the province been forthcoming as to the potential effects based on data from other mines. The imposition of this project to the potential detriment of the local economy, and the possibility that local citizens may be subject to “constant and involuntary exposure” to contaminants from the mine, strikes many as just wrong, irrespective of the support for the project.

The fact that the Ajax proposal has proceeded as far as it has represents just how removed Canadian authorities are from intuitively acknowledging and enforcing any meaningful precautionary principle that anticipates the negative effects of resource extraction, and why approval of the Ajax mine would be precedent setting for corporate investment. That a city with a highly diversified economy, an already compromised air shed, and sustainability plans in place would be considered an investment opportunity for an open-pit mine within city limits, speaks to the entrenched deference to corporate priorities. The project serves no critical employment or revenue needs at the local or provincial levels with some 30+ mining proposals under review, several within the Kamloops region, and a local unemployment rate of 5.3% (Venture Kamloops, 2013). Due to the unwillingness of federal and provincial authorities to recognize firm health and environmental standards for urban centres, and the inability to realize the link between these standards and the creation of new economic opportunities, the Ajax proposal has been allowed to generate considerable local fear and anxiety for tens of thousands of residents.

In the end the “precedent” established by approval of the Ajax proposal may prove to be just too controversial for provincial and federal

authorities, or the requirements on KGHM for approval may be too onerous and costly. There is also the very real possibility that declining copper and gold prices, due to slower growth in China and increased supply from mines being developed around the globe at this time, may reduce the corporate commitment to this project. Nevertheless, the mere fact that this project has been entertained as “feasible” has established a local context of uncertainty that may continue for many years even if the likely “conditional approval” were established. In that time, the cost to the city in reputation and lost economic opportunities due to reservations over the potential effects of the Ajax mine by retirees, students, professionals, tourists, existing residents and other investors may be incalculable.

Appendix 1



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