Resource Hinterlands
Resource Hinterlands

• We have several bodies of theory we could use
  • Harold Innis’s ‘staples’ approach
  • Combined & uneven development
  • Core/periphery, heartland/hinterland
• Different language games, but similar in principle
Resource Hinterlands

- At one time Canada a resource-producing hinterland to the cities of Europe
  - Producing resource ‘staples’: lumber, fish, fur, minerals, wheat, meat
  - Canada builds infrastructure, urban networks, rural landscapes, administrative centres to support the trade
  - But subsistence an important feature of the Canadian economy too, not just exports of staples
Resource Hinterlands

• Later Canada acted as a resource hinterland to the metropolitan cores of the USA
  • Staples of pulp & paper, oil & gas, hydro, grains, meat
• Still doing this
  • Quebec’s surplus hydro to NE USA
  • Canadian oil & gas to USA
Resource Hinterlands

• Over time some Canadian cities emerged as metropolitan cores
  • Exploiting resource hinterlands, economic opportunities in Canada and elsewhere
  • Metropolitan cores grow out of the historical legacy of the earlier staples economy
  • Toronto’s emergence as a mining finance centre grew out of its role as an entry point for US capital into Canadian mining
Conflicts of Interest

• Often in the news

• Bill Morneau, minister of finance, and rich guy with holdings not in a blind trust.

• Liberal party figures with investments in secret off-shore tax shelters
  • While their party makes noises about going after tax shelters
Ottawa’s Conflict of Interest Rules

• MPs prohibited from receiving “any gift or benefit ... that might reasonably be seen to have been given to influence the member”

• Can MPs accept junkets abroad paid for by controversial mining companies?
  • Yes, as long as it directly relates to the MP’s work in the House and is disclosed to the ethics commissioner
August 2012

- **Goldcorp Inc.** flew four MPs and a senator on the Vancouver-based mining company's jet to its Marlin mine in Guatemala and to meet local government officials.
  - Dave Van Kesteren MP (C)
  - Dean Allison MP (C)
  - Massimo Pacetti MP (L)
  - Bruce Hyer MP (was NDP then independent, now Green)
  - Senator Mac Harb (L)
- Wined and dined in luxury style for 3 days
Conflicts of Interest?

• "I'm not sure what the conflict is,"
  --Massimo Pacetti MP for Saint-Léonard—Saint-Michel

• Recently proposed a tax deduction for intra-Canada vacation travel

• Suspended from caucus 2014 for sexual assault on an NDP MP
Bruce Tolhurst Heyer MP

- Bruce Hyer: said he did nothing wrong
- Several Goldcorp mines in his NW Ontario riding
- Now deputy leader of the Green Party of Canada
Senator Mac Harb

• Anti-seal hunting Liberal senator

• Investigated by the RCMP in 2011 for business trip to Bangladesh on behalf of Calgary-based Oil & gas company Niko Resources
  • Niko Resources developing oil & gas in India, Bangladesh, convicted of corruption of government ministers there, fined

• Since resigned from the senate
Dave Van Kesteren MP

• **A Hyundai dealer and MP for Chatham-Kent-Essex**

• Often a Harper-government spokesman for the pork industry
  • And big-business investments in biofuels and wind energy in SW Ontario

• Not seeking re-election in 2019
Dean Allison MP

- Conservative MP for Niagara West-Glanbrook
- Seems to concern himself with matters of parliamentary ethics
  - And the interests of Niagara’s fruit & vegetable growers
Hill & Knowlton

- Liberal senator Don Boudria working for Hill & Knowlton helped manage Goldcorp’s publicity and arrange the MP’s junket to Guatemala
- H&K exaggerated/made up Iraqi atrocities to promote the first gulf war in 1990
- Represented the US tobacco industry, Church of Scientology, Gas fracking industry, dictatorships in Indonesia against public criticism
GoldCorp

- **Goldcorp’s Marlin mine in Guatemala is controversial**
  - Accusation of environmental damage, health impacts, human rights violations for local people
  - Yet 85% of the profits are exported from Guatemala
- A target if Canada ever regulates the behaviour of its mining companies abroad
Reading

• Holden & Jacobson 2009 in Canadian Geographer
  • On Catholic Church’s opposition to mining activity in Guatemala
Holden & Jacobson 2009

• Guatemala rich in non-ferrous ores
  • Nickel, Gold, Silver, Cobalt ...

• A dangerous place
  • A recent (and ongoing?) 36-year civil war
  • Government, army, police, informal militias notorious for brutal human rights abuses
  • Corrupt, divided, unequal society
Holden & Jacobson 2009

• Foreign mining companies active in Guatemala
• Canadian companies are major players in two large controversial mines
  • Marlin Mine
  • Fenix Mine
Marlin Mine

• Run by Vancouver-based Goldcorp
• Mines gold (Au), silver (Ag)
• Cyanide used in ore processing
Fenix Mine

• Mines nickel (Ni) and Cobalt (Co) with sulphuric acid leaching process
• Once run by INCO subsidiary EXMIBAL
• Then revived 2004-2008 by Vancouver-based Skye Resources and merged with/taken over by Toronto’s HudBay 2008
• Hudbay sells its Fenix interests in Aug 2011 to US-based Solway Group for $170m
Fenix Mine

• 30 years of conflict between mining company and indigenous people

• Skye Resources used the Guatemalan courts, police to evict local communities, deny their land rights
  • Skye claimed to be justified in this
  • 11 indigenous women gang-raped by police, mine security guards in 2007 eviction violence
HudBay

- The company’s main mine base in Canada is around Flin-Flon on the SK/MB border
  - Closed Trout Lake mine
  - Opens Lalor mine
- Is invested in the major new $1.5bn Constancia copper mine in Peru
Fenix Mine

• 2007: To finance the Fenix mine Skye Resources retained advisors:
  • Morgan Stanley & Co.,
  • TD Securities
  • Cutfield Freeman & Co.,
Fenix Mine

• Despite selling out to Solway, HudBay still being sued for the violence around the Fenix Mine
  • The rape victims were in Toronto December 2012 to give pre-trial evidence
  • Toronto activists demonstrate outside the 2012 HudBay AGM
Holden & Jacobson 2009

• Provide us with details of how the Catholic Church has been campaigning against the abuses of foreign mining companies in Guatemala

• Confirm many of the details of the violence and environmental abuse involved
Barrick Gold

• Another major Canadian global gold miner

• Barrick’s North Mara mine in Tanzania accused of severe environmental & health damage
  • In 2011 several people shot dead outside the mine by Tanzanian police
Barrick Gold

• Peter Munk defends his company
• Munk a major donor:
  • The Munk Cardiac Centre in Toronto
  • The Munk School of Global Affairs at UofT
  • Barrick protest outside the Munk School
Barrick's North Mara Mine, Tanzania

- A 2016 government inquiry revealed some 335 cases of abuse by Tanzanian police, including 65 deaths and 270 injuries since 2006 at North Mara
- Local human rights monitors and opposition forces have put the number of deaths much higher, claiming more than 300 violent deaths at the mine since 1999
Porgera, Papua New Guinea

• Another Barrick Gold mine where there has also been widespread allegations of rape by security guards
• Mines gold and silver
• Began operations 1990 by subsidiary of Placer Dome, acquired by Barrick 2006.
• One of the top 10 gold mines in the world
• Complaints of environmental violations, human rights abuses, rapes
Porgera
In an earlier class

• Concerto Café, 89 Bloor St W 1955
• Social networking on the 1950s creative economy
• Peter Munk was there
Peter Munk

• Jewish man, born Budapest
• Fled the Nazis, came to Canada in the late 1940s
• Attended UofT, became electronics engineer
• With David Gilmour, creates Clairtone, a high-end audio company 1958
• Goes bust c1968 in Stellarton NS fiasco
Shelaghs presents high fidelity today. An exciting collection of the finest high fidelity available. Cabinets to match your furniture and equipment to match your need.

Today and Saturday only at Shelaghs on the second floor. Mr. P. M. Munk, chief engineer of Clairtone Sound Co. will be on hand to answer your questions.

116 Bloor St. West
Clairtone at Expo 67
Superlatve quality and beauty as expressed in stereo Project G2 by CLAIRTONE
With R.C.A., General Electric, Zenith, Westinghouse and so many other U.S. giants to choose from, how come a lot of Americans are buying Canadian stereos and colour television sets?

What's Clairtone got, the Americans haven't?

Buy Canadian.
The Americans do.
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CLAIRTONE

Small wonder Clairtonge's on your
mind. The newest Clairtonges are "small
wonders." Young and elegant for the
yé yé girl. Or Uncle Charlie. For anyone
who wants to play with Clairtonge
sound in a compact area.
And special introductory
prices save you
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March 11.

"CABALLERO"
Spanish Traditional—$339.00* 
$249.00** out March 11
Listen to Sinatra on Claitone.

Sinatra does.

Clairtone stereo is one of the small Canadian miracles that comes along every now and again to make life more pleasant. When we started Clairtone seven years ago we had four employees, including the President and Executive Vice-President. The first year we sold 300 sets and had the smallest Christmas party in the stereo business. To cut a long story short, this past summer we sold Clairtone set number 100,000 and are now the world's biggest specialists in package stereo sets. Bar none. But what we're proudest of is our customers because they include a long list of people who are famous for knowing what music should sound like. For instance, Frank Sinatra. If you'd like to hear why people like this choose Clairtone you can go and see and listen to one in virtually any department store in North America, or a select number of music houses and appliance dealers. Please do.

See him in Marriage on the Rocks, an A-C Production through Warner Brothers.
Oscar Peterson checking out his Project G's final assembly
Peter Munk

• In 1970s with David Gilmour builds a chain of 54 resorts and hotels in Middle East, Asia and Pacific
• 1979 Munk founds Barrick Corp
  • Begins in petroleum, switches to gold mining
  • Barrick the world’s largest gold mining company by 2016
• Munk founds Trizec Properties. Sells it to Brookfield in 2006 for $9 Billion
Munk Philanthropy

• $100M+ to Toronto General Hospital for Munk Cardiac Centre
• $51M to University of Toronto, including $35 to Munk School for Global Affairs
• $43M to Technicon – Israel Institute of Technology
• $5M to Fraser Institute
York’s Schulich Business School

• Gold mining exec Seymour Schulich gave the school $22 Million

• York’s business school receives funding/advice from HudBay and Barrick Gold
  • “The Core Sponsor for the Schulich International Case Competition was Barrick Gold”

• Schulich’s Dean Horváth opens the TSX 28 Nov 2011 to announce a new MBA programme in Global Mining Management
  • Graduating students intern at Barrick Gold
York’s Schulich Business School

- Hudbay and Barrick contribute to Schulich’s Centre of Excellence in Responsible Business (COERB)
Natural Resources

• Metropolitan cores (Toronto, Vancouver, Calgary)
  • Find ways to profitably exploit resource-producing regions
  • Enriching themselves
  • Changing the regions they exploit
• There is some benefit to those exploited
  • But it is not very balanced
Natural Resources

• Metropolitan cores get changed by their exploitation of resources elsewhere

• Metropolitan profits often depend on unscrupulous behaviour
  • Abroad
  • And at home
  • The powerful can behave badly
Natural Resources

• Suppose we regulate Canadian mining companies and prevent them from abusive behaviour abroad.
• What happens next?
• They will probably move offshore to escape the regulation
  • Neoliberalism