

DIAMONDS IN THE ROUGH

FOR MORE THAN TWO CENTURIES, the post-European economy of the Northwest Territories has relied on natural resources. First came the fur trade and then, in the 20th century, gold mining, oil and gas production and — who would have thought! — diamond mining.

Prospecting began a century ago, but the radium mine that opened in 1933 at Eldorado on Great Bear Lake is considered the Territories' first modern mining operation. Gold on the north shore of Great Slave Lake led to the opening of the Con Mine (1938) and the Giant Mine (1948) — and to the birth of Yellowknife. Both are still producing today.

Oil found and refined at Norman Wells, on the Mackenzie River, in 1921, began supplying Northern needs during the Second World War. Wells there are still flowing. In the early 1980s, vast quantities of oil and gas were located on the shores and in the shallows of the Beaufort Sea, at the mouth of the Mackenzie. Building a pipeline to move it to southern markets is the subject of continuing debate.

But the real news in the Northwest Territories during the past few years has been diamonds. The country's first diamond mine, the Ekati Mine at Lac de Gras, opened in 1998. Canada now ranks fifth in the world in diamond production by value at \$847 million a year. With the Diavik Mine (top) set to open next spring and others slated to open soon, Canada could rise to third place, supplying 12 percent of the world's diamonds by 2004.

Unlike other typical mining booms, efforts have been made to get this one right. Ekati's opening was preceded by what was considered one of the toughest environmental, economic and social reviews in Canadian history. And steps have been taken to get even more out of the mines by establishing diamond cutting and polishing plants in Yellowknife (above), one of which is a joint venture with aboriginal groups.

Other potential resources, including iron deposits on the Yukon-Northwest Territories border that are considered the third largest iron reserves in North America, remain untapped.

— D.L.



C.W. DAVENON/LENOX ARCHIVES/NOB-6-10

TERRITORIAL TIME TRAVEL

25,000-14,000 years before present: Ancestors of North American Indigenous People cross the land bridge from Siberia and inhabit what is now the N.W.T.

1000: Thule Inuit, moving east, settle along the Arctic coast.

1770-72: Hudson's Bay Company explorer Samuel Hearne and Chipewyan guide Metchie cross Great Slave Lake.

1789: North West Company explorer Alexander Mackenzie follows what is now known as the Mackenzie River from Lake Athabasca to the Arctic.

1821-27: British Admiralty explorer Sir John Franklin charts the Arctic coast between the Coppermine River and Prudhoe Bay.

1870: Transfer of vast Hudson's Bay Company holdings — all the land draining into Hudson Bay — to Canada.

1880: Arctic Islands join the N.W.T.

1898: Yukon becomes a separate territory.

1912: Northern Quebec separates from N.W.T.; Ontario and Manitoba extend northward.

1919: Oil found at Norman Wells, setting the stage for an industry that will surpass the once-booming fur trade (above).

1928: First mineral prospectors file into the Great Bear Lake area.

1933: First modern mine in the Northwest Territories opens — the Eldorado radium/uranium/silver mine near Great Bear Lake.

1934: Gold rush at Yellowknife.

1942-44: Construction of the Canal Pipeline between Norman Wells and Whitehorse.

1945: Yellowknife connected by road to northern Alberta.

1950s and early 1960s: Inuvik established.

1965: Railway joins Hay River to northern Alberta, the Northwest Territories' first and only rail connection.

1967: Yellowknife named capital of the N.W.T.

1970s: Oil and gas reserves discovered under Beaufort Sea.

1977: Berger Commission recommends moratorium on Mackenzie Valley Pipeline construction.

1979: Dempster Highway completed from Dawson, Yukon, to Fort McPherson and Inuvik.

1998: Ekati Mine, Canada's first diamond mine, begins producing at Lac de Gras.

1999: N.W.T. divided to create the new territory of Nunavut.

Dane Lanken

MAKING PEACE WITH THE PIPE

A GAS PIPELINE from the Arctic Ocean, down the Mackenzie Valley and on to markets in southern Canada and the United States — an idea proposed 30 years ago and then dropped — has re-emerged in the past two years. The growth of gas-fired power plants in the United States has deflected the plan, while opposition among aboriginal groups has briefly evaporated. Indeed, five of the Territories' six groups formed the Aboriginal Pipeline Corporation in January 2000, hopeful that the project would bring jobs, income, ownership in and management of oil and gas reserves on their lands. Still

The Deh Cho are concerned about possible environmental damage and the project's impact on wildlife and traditional aboriginal lifestyle.

there remain major engineering, environmental and economic problems — and three competing proposals on the table: the shortest and cheapest scheme — and the one most advanced in planning — comes from the Mackenzie Delta Gas Producers, led by Imperial Oil Ltd. and the Aboriginal Pipeline Corporation.

They advocate a relatively small-capacity pipeline down the Mackenzie Valley to Alberta, at a cost of \$3 billion to \$4 billion.

Another pincer by Houston-based Arctic Resource Corporation sees an \$1.1-billion, high-capacity twin pipeline from Prudhoe Bay, Alaska, across the Beaufort Sea to the Mackenzie Delta and down the valley. This proposal has been banned by the Alaska Legislature, which would rather not tap Canadian gas at all, having one main pipe running inland through Alaska, Yukon, British Columbia and Alberta, at a cost of \$19.4 billion.

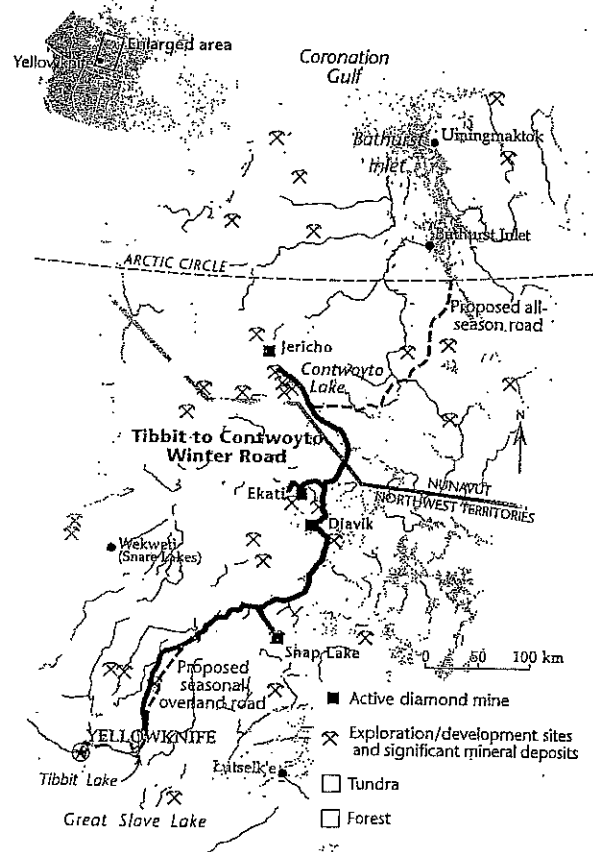
The pipeline idea was originally floated by the Canadian government in the early 1970s, but concerns over the project, described at the time as the biggest private construction job ever contemplated, led to a royal commission chaired by Justice Thomas Berger. His 1977 report concluded that the project was feasible (except for the part of the pipeline that would cross an environmentally sensitive portion of northern Yukon) but that further study was needed and land claims had to be settled first. His idea for a 10-year moratorium contributed to the shelving of the plan.

Now that most of those requirements have been met, only the Deh Cho First Nation in the southwestern and south-central regions of the Territories is waiting for their land claims to be settled before making any commitments. It is concerned about possible environmental damage and the project's impact on wildlife and traditional aboriginal lifestyle.

— D.L.

THE STARTING POINT
is Tibbitt

Lake (ABOVE), 70 kilometres east of Yellowknife. Trucks must pass through 55 land-based checkpoints, including the Meadows (BOTTOM). They are allowed to depart every 20 minutes and must travel at least 500 metres apart to prevent the ice from cracking under extreme weight.



Making Peace with the Pipe

1. What idea has emerged in the last two years?
2. What company was formed in the year 2000?
3. What positive effects would this have for the aboriginals?
4. What are three major challenges for this type of development?
5. What are two main reasons the idea of a pipeline was "shelved" in 1977 by Justice Thomas Berger?
6. Make a PMI chart for the issue of "Pipelines in the North Region" List at least 3 points in each column

Plus	Minus	Interesting

Diamonds in the Rough

1. What natural resource did the people of the north rely on before the 20th century?
2. What natural resources do we rely on in the 20th century?
3. What two mines are in production today? What does each mine?
4. On what river is oil refined at Norman Wells?
5. Where were vast quantities of oil and gas found in the 1980's?
6. Where and when was the first diamond mine in Canada established?
7. What is our rank in diamond production in the world?
8. What preceded the mines opening?
9. What are some other potential resources in this area?